

Report on the

**Bond Indebtedness  
State of Alabama  
Montgomery, Alabama**

**October 1, 2006 through September 30, 2007**

Filed: May 16, 2008



**Department of  
Examiners of Public Accounts**

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*Ronald L. Jones, Chief Examiner*



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State of Alabama  
Department of  
**Examiners of Public Accounts**

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Ronald L. Jones  
Chief Examiner

Honorable Ronald L. Jones  
Chief Examiner of Public Accounts  
Montgomery, Alabama 36130

Dear Sir:

Under the authority of the *Code of Alabama 1975*, Section 41-5-14, we submit this report on the State of Alabama Bond Indebtedness, Office of the State Treasurer, for the period October 1, 2006 through September 30, 2007.

**SCOPE AND OBJECTIVES**

This report encompasses an examination of the Bond Indebtedness of the State of Alabama and its instrumentalities, for which the State Treasurer maintains the financial records, and a review of compliance with applicable laws and regulations of the State of Alabama related to bond indebtedness.

**CONTENTS OF REPORT**

This report includes the following segments:

1. **Report to the Chief Examiner** – contains items pertaining to state legal compliance, agency operations, and other matters.
2. **Financial Information** – includes basic financial information (Exhibits 1 through 11).
3. **Additional Information** – contains basic information related to the State Treasurer, and the formation and legal authority of the bond issues and the Office of the State Treasurer (Exhibits 12 through 14).

**COMMENTS**

**State Treasurer's Duties**

The *Code of Alabama 1975*, Section 36-17-3, includes the following among the general duties of the State Treasurer:

- To pay principal and interest on the bond indebtedness of the State.
- To have custody of, and keep safe, all moneys, bonds, and other securities held in any sinking fund for the payments of bonds of the State, and to do and perform such other duties with reference to State bonds and their redemption as are now, or may be, required by law.

The *Code of Alabama 1975*, Section 36-17-17, makes the State Treasurer the special trustee of State sinking funds for the use and benefit of the holders and owners of the State bonds or obligations for the payment of which the sinking funds were created.

Numerous Acts of Alabama which establish public corporations that issue bonds also designate the State Treasurer as the trustee for reserve funds set up to pay bond debts.

The following agencies are included in the Comprehensive Annual Financial Report of the State of Alabama; however, the State Treasurer is not the trustee or paying agent for their respective bonds:

- Revenue Bonds, Series 2003-A and 2003-B, which were issued for \$21,530,000.00 by the Alabama Corrections Institution Finance Authority. The Bank of New York in Birmingham, Alabama is the trustee and paying agent for these bonds.
- Lease Revenue Refunding Bonds, Series 2002, which were issued for \$43,265,000.00 by the Montgomery Downtown Redevelopment Authority. The Regions Bank in Montgomery, Alabama is the trustee and paying agent for these bonds.
- Mortgage Revenue Bonds, Series 2005, which were issued for \$57,975,000.00 by the Alabama Public Health Care Authority. The First Commercial Bank in Birmingham, Alabama is the trustee and paying agent for these bonds.

The State Treasurer does not maintain the financial records for the following bond issues. Therefore, this examination did not include the bonds issued by these entities; however, limited information is included in the Exhibits in order to present the bond indebtedness for the State of Alabama as a whole. These entities include the following:

- ✓ **Alabama Housing Finance Authority** – bonds are issued to provide funds to finance residential housing for persons and families of low to moderate income levels in the State.
- ✓ **Alabama Higher Education Loan Corporation** – bonds are issued to provide funds to acquire student loan notes incurred under the Higher Education Act of 1965, as amended.
- ✓ **Alabama Water Pollution Control Authority** – bonds are issued for the purpose of making loans to local governmental units in the State to pay for the costs of planning, designing, acquiring, or constructing certain wastewater treatment and related facilities.
- ✓ **Alabama Space Science Exhibit Finance Authority** – bonds are issued to provide funds for the Space Camp Program.
- ✓ **Alabama Public Health Care Authority** – bonds were issued to acquire, construct, install, equip, renovate, and refurbish public health care facilities.
- ✓ **Alabama Drinking Water Finance Authority** – bonds are issued for the purpose of financing a program of loans by the Authority to local governmental units to pay certain costs of planning, designing, acquiring or constructing certain sanitary drinking water and related facilities eligible for financial assistance under federal law.

The information for these above-mentioned entities was obtained from independent auditors' reports.

The Treasurer's Office also accounts for the debt service payments for the Building Renovation Finance Authority. Total debt service expenditures for the Building Renovation Finance Authority, Fund 1000 during the 2006-2007 fiscal year were \$2,817,078.75, of which \$1,070,000.00 was for principal and \$1,747,078.75 was for interest.

The following entities also use debt service or other fund types in order to account for the accumulation of resources for, and (or) the payment of bond debt principal and interest on their respective bonds, however, the Treasurer's Office is not responsible for the financial records of these entities: the Alabama Housing Finance Authority, the Alabama Higher Education Loan Corporation, the Alabama State Port Authority, the Alabama Space Science Exhibit Finance Authority, the Alabama Water Pollution Control Authority, the Alabama Drinking Water Finance Authority, the Montgomery Downtown Redevelopment Authority, and the Alabama Public Health Care Authority.

The following authorities are included in the Comprehensive Annual Financial Report but retain someone other than the State Treasurer as the registrar or paying agent for their bonds:

- The Bank of New York is the Trustee for the Alabama Corrections Institution Finance Authority Series 2003-A and Series 2003-B Bonds. Money is accumulated in a Trust Account, then is used to make principal and interest payments in April and October of every year. The Cash and Investments balances for the Series 2003-A and Series 2003-B Bonds were \$299,125.00 and \$0.00 respectively at September 30, 2007.
- Regions Bank is the Trustee for the Montgomery Downtown Redevelopment Authority, Series 2002 Bonds. Money is accumulated in a bank account at Regions Bank, then is used to make principal and interest payments in April and October of every year. The Cash and Investments balances for the Series 2002 Bonds were \$0.00 and \$5,320,976.45, respectively, at September 30, 2007.
- First Commercial Bank of Birmingham is the Trustee for the Alabama Public Health Care Authority Series 2005 Bonds. Money is accumulated in bank accounts at First Commercial Bank, then is used to make principal and interest payments in April and October of every year. The Cash and Investments balances for the Series 2005 Bonds were \$953,456.00 and \$0.00, respectively, at September 30, 2007.

The *Code of Alabama 1975*, Section 36-17-13, requires the Examiner of Public Accounts to examine cancelled bonds and coupons redeemed by the State Treasurer and compare such bonds and coupons with records maintained by the State Treasurer's Office. Immediately after such examination, the Treasurer and Examiner of Public Accounts are to destroy the cancelled bonds and coupons. Additionally, the Examiner of Public Accounts is required to certify to the destruction of such bonds and coupons. No cancelled bonds or coupons were destroyed during the 2007 examination.

The *Code of Alabama 1975*, Section 36-17-18, authorizes and empowers the State Treasurer, with the written approval of the Governor, to invest funds held in the State Treasury in direct obligations of the United States of America and in direct obligations backed by the full faith and credit of the State of Israel. During the 2006-2007 fiscal year, all investments for the bond authorities held by the State Treasurer were invested in direct obligations of the United States of America.

### **Types of Bond Debt**

- **General Obligation Bonds** – pledge the full faith and credit of the State of Alabama, and are payable from taxes and other general revenue sources. General Obligation Bond issues are authorized by Constitutional Amendments. Outstanding General Obligation Bonds at September 30, 2007, totaled \$773,252,940.37 net of refunded bonds.
- **Revenue Bonds** – as used by the State of Alabama usually refers to bonds for which principal and interest payments are pledged from specific tax revenues and (or) from revenues from the operation of a public enterprise such as the State Port facility, building rental charges, and the State Farmer's Market user charges. Another characteristic of these bonds is that they are issued by public corporations that are established by Acts of the Alabama Legislature. Bonds issued by public corporations are obligations of the corporations that are held to be separate and distinct entities from the State and do not constitute debts of the State. In most instances, state officials such as the Governor, Lieutenant Governor, Attorney General, State Treasurer, and department heads of benefiting departments serve as members of the corporations. Outstanding Revenue Bonds at September 30, 2007, totaled \$3,999,106,635.23 net of refunded bonds.

### **Advance Refunding Bonds**

Bonds issued to retire an outstanding bond issue, or portion thereof, are "advance refunding bonds". Advance refunding bonds are issued bearing interest rates that are usually lower than the interest rates on the outstanding bonds (refunded bonds). A portion of the proceeds from the sale of the advance refunding bonds is deposited with an escrow agent pursuant to an escrow trust agreement and is invested in certain United States Treasury Obligations in such amounts with certain maturities to provide sufficient funds to pay the remaining principal and interest on the refunded bonds as they become due. The refunded bond debt is considered to be retired for financial reporting purposes, even though the debt is still legally outstanding and the issuer of the bonds has not been released from the debt obligation. Retirement of debt in this manner is commonly referred to as "in-substance defeasance".

During the 2006-2007 fiscal year, the Alabama State Port Authority issued Series 2006A, Series 2006B and Series 2006C Bonds. The Series 2006A Bonds advance-refunded the Alabama State Port Authority Series 1997 and Series 2001 Bonds; the Series 2006B Bonds advance-refunded the Alabama State Port Authority Series 1998 Bonds; and the Series 2006C Bonds advance-refunded the Alabama State Port Authority Series 1996 Bonds. The final payment was made on the advance-refunded Series 1996 Bonds in the 2006-2007 fiscal year. The Series 1997 Bonds were redeemed on October 1, 2007 at a redemption price of 102%. The Series 1998 Bonds will be redeemed on October 1, 2008 at a redemption price of 102%. The Series 2001 Bonds will be redeemed on October 1, 2011 at a redemption price of 100%.



### **Capital Appreciation Bonds**

Capital Appreciation Bonds are bonds that are sold at a substantial discount and do not pay any interest until the bonds mature. Based on the original offering price, the bonds accrete (increase) in value as semi-annual interest earned is compounded from the original issuance date to the date of maturity. The issuance of capital appreciation bonds defers any cash flows until the bonds mature or are called. The State currently has issued \$87,472,119.20 principal amount of outstanding capital appreciation bonds, some of which are General Obligation Bonds, and some of which are Revenue Bonds. The outstanding capital appreciation bonds are the Alabama Incentives Financing Authority Series 1995-B Bonds, a portion of the Alabama Judicial Building Authority Capital Appreciation Series 1996 Refunding Bonds, and a portion of the General Obligation Capital Appreciation Series 1999-A Refunding Bonds. Payments have been made on the Judicial Building Authority Bonds and the General Obligation Bonds but not on the Alabama Incentives Financing Authority Bonds. The current appreciated value of the remaining bonds as of September 30, 2007 is \$78,296,561.87, and the value at maturity of these bonds is \$214,584,926.78.

### **State Funds on Deposit With Fiscal Agents**

To facilitate the payment of matured bond principal and interest, the State contracts with numerous financial institutions to act as the State's fiscal agents for the various bearer bond issues. When the bonds and interest coupons are redeemed, the fiscal agents return the canceled bonds and coupons to the State Treasurer. The Treasurer's Office verifies the fiscal agents' statements of account to the canceled bonds and interest coupons returned. Because bonds and interest coupons are not always redeemed when they become due, the fiscal agent may have cash balances of State funds on hand.

An Attorney General's Opinion issued February 16, 1990, stated that the State Treasurer, as a co-paying agent in various bond issues, may establish an escrow account for certain residual funds currently held by various banks for the purpose of paying the principal and interest due on such bonds when they are presented. A common interest bearing account (Fund 0653) was opened for the residual funds of issues that have fully matured and the bonds or interest coupons have not been presented for payment within a certain length of time. The Fund had a balance of \$331,772.96 at September 30, 2007. Interest earned on the account is deposited in the State General Fund.

### **Arbitrage**

The Federal Tax Reform Act of 1986 requires the rebate of arbitrage on certain bonds when the proceeds are held longer than a temporary period specified by tax law. The amount of rebate is the difference between actual interest earned and the allowable interest. Rebates are due at the end of every computation period (normally every fifth bond year) until the bonds are retired.

When paying less than 100% of the rebate charge, installments are due 60 days after the computation period. Each installment must be in an amount that when added to the future value, as of the computation date, of previous rebate payments made for the issue, equals at least 90% of the rebate charges as of the computation date (the fifth bond year). The final installment is due 60 days after the date the last bond of the issue is discharged. The final installment must be paid in an amount that, when added to the future value of previous rebate payments made for the issue, equals 100% of the rebate charges as of the last computation date, plus any income attributable to rebate charges.

Personnel at the Department of Finance perform arbitrage calculations. Calculations are usually performed at the end of the computation period, and any liability is usually paid at this time. Calculations may also be performed at interim dates before the rebate is due. Since computation periods or interim dates may not coincide with the end of the fiscal year, the rebate liability as of the end of the fiscal year is only an estimate obtained from the most current arbitrage rebate calculation report. The liability will not necessarily be the rebate paid in the future, since the rebate calculation will have to be updated to reflect cumulative interest earned to the end of the computation period. The bond issues noted in the following table were required to rebate arbitrage earnings to the Internal Revenue Service during the 2006-2007 fiscal year, or have incurred an arbitrage rebate liability to the Internal Revenue Service as of the end of the fiscal year:

Bond Description	Schedule of Arbitrage Liabilities				
	Issuance Amount	Rebate Computed	Amount Paid	Liability	Due Date
Alabama Water Pollution Control Authority	\$ 658,380,000	\$1,054,363	\$ 0	\$1,054,363	Various
Alabama Drinking Water Finance Authority	\$ 220,760,000	\$ (21,338)	\$ 0	\$ (21,338)	Various
Alabama Housing Finance Authority	\$2,461,735,000	\$4,379,000	\$ 0	\$4,379,000	Various
Alabama Higher Education Loan Corporation	\$ 100,000,000	\$4,363,121	\$ 0	\$4,363,121	Various
Alabama Federal Aid Highway Finance Authority	\$ 200,000,000	\$ 169,186	\$169,186	\$ 0	Various
Alabama Public Health Care Authority	\$ 57,975,000	\$ 85,940	\$ 0	\$ 85,940	Various

The (\$21,338.00) total for the Alabama Drinking Water Finance Authority is a receivable from the IRS, not a liability.

### **Alabama Incentives Financing Authority Reserve Funds**

The Official Statements of the 1999-A, 1999-B, and 1999-C Bonds of the Alabama Incentives Financing Authority provides for the creation of special funds, called the Tax-Exempt Reserve Fund (1024) and Taxable Reserve Fund (1023). The Authority is to make periodic deposits into the Tax-Exempt Reserve Fund and Taxable Reserve Fund until the maximum annual debt service requirements are met. When the balance of the Tax-Exempt Fund (1024) is equal to the minimum (\$2,397,000.00) then all subsequent payments of excess shall be deposited into the Taxable Reserve Fund (1023). The maximum debt limit for all of the Series 1999 Bonds is \$11,221,944.00. The moneys forming a part of the Reserve Funds are held as a reserve for payment of the principal and interest on the Bonds, but can be used for such purpose only when necessary to prevent a default in the payment of such principal and interest. The State Treasurer is the custodian and disbursing agent for the Reserve Fund. The Cash and Investment balances of the Tax-Exempt Reserve Fund (1024) are \$2,514,357.33, and \$0.00, respectively at September 30, 2007. The Cash and Investment balances of the Taxable Reserve Fund (1023) are \$21,010,112.53, and \$0.00, respectively, at September 30, 2007.

### **Interest Rate Swap Agreements with Bear Stearns, Goldman Sachs, and the Bank of America**

During the 2003-2004 fiscal year, the State of Alabama entered into Interest Rate Swap Agreements with Bear Stearns, Goldman Sachs, and the Bank of America. Under the Swap Agreements, the State pays the floating SIFMA rate and receives a fixed rate of 4.19% for the period June 15, 2004 through October 1, 2019. The Swap Agreements also provide for an interim reversal period from June 15, 2004 through April 1, 2007. During this period, the Swap Providers pay the State 4.19% and the State pays the Swap Providers 2.76% based on the collective notional amount of \$350 million. In connection with the interim reversal, the State received a one-time payment on July 1, 2004 of \$19,672,000.00 from the Swap Providers, which represents the present value of the payments due to the State during the interim reversal period and the fee due to the State for the Providers' option to cancel the Swap Agreements at no cost, annually, beginning April 1, 2007 through the term of the Swap Agreements. The \$19,672,000.00 payment received from the Swap Providers was deposited into the State's General Fund. At September 30, 2007, the combined mark-to-market value (fair market value) of the interest rate swap agreements with Bear Stearns, Goldman Sachs, and the Bank of America was (\$1,877,757.90), a negative amount.

By entering into the Swap, the State effectively converted a portion of its fixed rate exposure on its bonds to floating rate exposure. Under the terms of the Swap, the State agreed to pay a floating rate based on the tax-exempt market standard BMA (Bond Market Association) Index and receive a fixed rate. The size of the Swap was \$350 million. This amount equaled 9.7% of the current outstanding principal of total State-supported debt at that time. Thus, after the Swap was entered into, the State had a mix of fixed and floating rate debt exposure of approximately 90/10. In addition, current floating rate assets, at \$1.32 billion, will provide 2.34 times coverage of the floating rate debt exposure created by the Swap.

By entering into these Interest Rate Swap Agreements, the State of Alabama has the following types of risks:

- ✓ **Counterparty Credit Risk** – the risk that the Swap providers (Goldman Sachs, Bear Stearns, and the Bank of America) fail to perform as required by the Swap agreement.
- ✓ **Floating Rate Risk** – the risk that floating rates rise in the future beyond what is currently anticipated.
- ✓ **Basis Risk** – the risk that tax-exempt floating rates may perform differently than taxable floating rates, creating potential unanticipated costs.
- ✓ **Termination Risk** – the risk of a potentially significant unscheduled payment associated with an early termination.

The State of Alabama has the option to terminate the Swap Agreements if the Swap Providers fall below the single-A rating category.

In July 2007, the three Swap Providers (Bear Stearns, Goldman Sachs, and the Bank of America) paid a combined \$376,249.82 to the State of Alabama, which was the interest due to the State of Alabama because the quarterly average SIFMA interest rate was below the 4.19% fixed rate for the quarter ending July 1, 2007. The money was deposited in the State General Fund. In October 2007, the three Swap Providers paid a combined \$401,662.88 to the State of Alabama, which was the interest due to the State of Alabama because the quarterly average SIFMA interest rate was below the 4.19% fixed rate for the quarter ending October 1, 2007; this money was also deposited in the State General Fund. In January 2008 the three Swap Providers paid a combined \$636,688.16 to the State of Alabama, which was the interest due to the State of Alabama because the quarterly average SIFMA rate was below the 4.19% fixed rate for the quarter ending January 1, 2008; this money was also deposited in the State General Fund.

All three Swap Providers exercised their early termination options in January 2008. As a 90-day notice was necessary to exercise the termination option, final calculations will be done for the quarter ending April 1, 2008 to determine whether the counterparties owe interest to the State of Alabama or whether the State of Alabama owes interest to the counterparties.

### **Other Interest Rate Swap Agreements**

On March 13, 2002, JP Morgan Chase Bank entered into an interest rate swap agreement with the Alabama Public School and College Authority (APSCA). This dealt with the following 4 APSCA Bond Issues – Series 1998, 1999-A, 1999-C, and 1999-D. The APSCA received a lump sum payment in return to swap transactions on the Bonds, whereby the APSCA will make a fixed rate payment to JP Morgan equal to the fixed rate payments on the Bonds and JP Morgan Chase will make corresponding variable rate payments to the APSCA determined by the nationally recognized index, LIBOR. The swap agreement is based on a notional amount of \$710,215,000.00 and expires on September 1, 2029. The agreement was amended on January 16, 2003 to change the variable rate payments to the Authority from 70% to 67% of the LIBOR rate. The option is exercisable in the years 2008 through 2011. The APSCA received lump sum payments of \$12,587,000.00; these are being amortized as an adjustment to interest expense using the straight-line method over the life of the option. At September 30, 2007, the swap had a negative fair value of approximately (\$47,261,125.00).

In December 2002, the Alabama State Port Authority (ASPA) entered into a swaption contract with an investment company relating to its Series 1996 bonds. The swaption gave the counterparty the option to enter into a variable-to-fixed interest rate swap at a specified future date. The counterparty exercised its option on July 18, 2006; therefore, the interest rate swap commenced on October 1, 2006 with the ASPA paying a fixed interest rate of 5.38% and the ASPA receiving a variable interest rate of 67% of the one-month LIBOR. The swap agreement is based on a notional amount of \$60,455,000.00 and expires on October 1, 2021. Upon exercising of the option by the counterparty, the ASPA issued variable-rate refunding bonds in an amount sufficient to refund the fixed rate Series 1996 bonds. At September 30, 2007, the swaption had a negative fair market value of approximately (\$10,327,420.00).

### **State Credit Rating**

Moody's Investors Services has raised the State of Alabama's general obligation debt rating to Aa2 from Aa3 as of August 26, 2005.

### **STATUS OF PRIOR FINDINGS**

There were no findings in the prior report.

The examination consisted of a review of overall compliance of the State of Alabama Bond Indebtedness, Office of the State Treasurer, with applicable Alabama laws and regulations and was performed by evaluating State Treasurer procedures and testing samples of transactions. Nothing came to our attention to indicate that the Office of the State Treasurer had not complied with applicable Alabama laws and regulations.

Sworn to and subscribed before me this  
the 5<sup>th</sup> day of May, 2008.

Gail Taylor  
Notary Public

Sworn to and subscribed before me this  
the 5<sup>th</sup> day of May, 2008.

Gail Taylor  
Notary Public

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Respectfully submitted,

Kirk A. Moore

Kirk A. Moore  
Examiner of Public Accounts

Joseph K. Butler

Joseph K. Butler  
Examiner of Public Accounts

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## *Summary of Changes in Bond Indebtedness*

### *October 1, 2006 through September 30, 2007*

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A summary of changes in the bond indebtedness during the fiscal year ended September 30, 2007, follows:

	General Obligation	Revenue Bonds	Total
Bonds Payable at October 1, 2006	\$ 516,973,216	\$ 3,745,147,101	\$4,262,120,317
<u>New Bonds Issued</u>			
General Obligation, Series 2007-A	305,000,000		305,000,000
Alabama Housing Finance Authority, Mortgage Revenue Bonds		497,321,000	497,321,000
Alabama State Port Authority, Series 2006A		157,645,000	157,645,000
Series 2006B		70,050,000	70,050,000
Series 2006C		60,455,000	60,455,000
Series 2006D		21,600,000	21,600,000
Alabama Higher Education Loan Corporation Series 2006A-1		25,000,000	25,000,000
Series 2006A-2		75,000,000	75,000,000
<u>Bond Accretion</u>			
General Obligation Refunding, Series 1999-A	1,909,528		1,909,528
Judicial Building Authority, Series 1996		1,314,420	1,314,420
Alabama Incentives Financing Authority, Series 1995-B		540,000	540,000
<u>Bonds Retired</u>			
Principal Payments	(59,545,000)	(428,265,000)	(487,810,000)
Bonds Refunded		(224,165,000)	(224,165,000)
<u>Bond Amortization</u>			
Discount/Premium Amortization	8,915,196	7,036,558	15,951,755
Loss Amortization		493,470	493,470
Bond Issuance Costs		21,491	21,491
Deferred Refunding Costs		(10,087,405)	(10,087,405)
Bonds Payable at September 30, 2007	<u>\$ 773,252,940</u>	<u>\$3,999,106,635</u>	<u>\$4,772,359,576</u>

***Schedule of Changes in Bond Indebtedness***  
***For the Year Ended September 30, 2007***

<b>BOND ISSUE</b>	<b>BONDS PAYABLE OCTOBER 1</b>	<b>ISSUANCES</b>
<b><u>GENERAL OBLIGATION BONDS</u></b>		
G. O. Capital Appreciation Refunding Bonds, Series 1999-A	\$ 58,449,472	\$ -
G. O. Refunding Bonds, Series 1999-B	6,575,000	-
G. O. Bonds, Series 2001-A	47,380,000	-
G. O. Bonds, Series 2001-B	14,555,000	-
G. O. State Parks System Improvement Bonds, Series 2001-C	87,025,000	-
G. O. Public Historical Sites and Parks Improvement Bonds, Series 2001-D	5,020,000	-
G. O. Bonds, Series 2001-E	82,000,000	-
Unamortized Premium - Series 2001-E	744,736	-
G. O. Bonds, Series 2002-A	46,955,000	-
Unamortized Premium - Series 2002-A	824,009	-
G. O. Bonds, Series 2005-A	100,230,000	-
Unamortized Premium - Series 2005-A	4,979,554	-
G. O. Bonds, Series 2006	61,150,000	-
Unamortized Premium - Series 2006	1,085,444	-
G. O. Bonds, Series 2007-A	-	305,000,000
Unamortized Premium - Series 2007-A	-	9,332,700
<b>TOTAL GENERAL OBLIGATION BONDS</b>	<b>516,973,216</b>	<b>314,332,700</b>
<b><u>REVENUE BONDS</u></b>		
<b><u>ALABAMA CORRECTIONS INSTITUTION FINANCE AUTHORITY</u></b>		
Revenue Refunding Bonds, Series 2003-A	11,875,000	-
Unamortized Premium - Series 2003-A	182,445	-
Unamortized Loss - Series 2003-A	(175,725)	-
Revenue Bonds, Series 2003-B	4,000,000	-
Unamortized Premium - Series 2003-B	218,075	-
<b><u>ALABAMA JUDICIAL BUILDING AUTHORITY</u></b>		
Capital Appreciation Refunding Bonds, Series 1996	25,458,142	-
<b><u>ALABAMA PUBLIC HEALTH CARE AUTHORITY</u></b>		
Lease Revenue Bonds, Series 2005	56,975,000	-
Unamortized Discount - Series 2005	(544,647)	-
Unamortized Bond Issuance Costs - Series 2005	(368,634)	-
Unamortized Loss - Series 2005	\$ (1,020,664)	\$ -



ACCREDITED AMOUNTS FOR CAPITAL APPRECIATION BONDS		PRINCIPAL PAYMENTS	ADVANCE REFUNDED	AMORTIZATION OF DISCOUNT, LOSS OR PREMIUM	BONDS PAYABLE SEPTEMBER 30
\$	1,909,528	\$ (40,845,000)	\$ -	\$ -	\$ 19,514,000
	-	(1,510,000)	-	-	5,065,000
	-	(2,305,000)	-	-	45,075,000
	-	(675,000)	-	-	13,880,000
	-	(4,000,000)	-	-	83,025,000
	-	(230,000)	-	-	4,790,000
	-	(4,065,000)	-	-	77,935,000
	-	-	-	(49,649)	695,087
	-	(2,155,000)	-	-	44,800,000
	-	-	-	(51,501)	772,509
	-	(3,760,000)	-	-	96,470,000
	-	-	-	(262,082)	4,717,472
	-	-	-	-	61,150,000
	-	-	-	(54,272)	1,031,172
	-	-	-	-	305,000,000
	-	-	-	-	9,332,700
	1,909,528	(59,545,000)	-	(417,504)	773,252,940
	-	(1,525,000)	-	-	10,350,000
	-	-	-	(26,064)	156,381
	-	-	-	25,104	(150,621)
	-	-	-	-	4,000,000
	-	-	-	(24,231)	193,844
	1,314,420	(3,975,000)	-	-	22,797,562
	-	(1,090,000)	-	-	55,885,000
	-	-	-	31,740	(512,907)
	-	-	-	21,491	(347,143)
\$	-	\$ -	\$ -	\$ 69,260	\$ (951,404)

***Schedule of Changes in Bond Indebtedness***  
***For the Year Ended September 30, 2007***

<b>BOND ISSUE</b>	<b>BONDS PAYABLE OCTOBER 1</b>	<b>ISSUANCES</b>
<b><u>ALABAMA FEDERAL AID HIGHWAY FINANCE AUTHORITY</u></b>		
Federal Highway Grant Anticipation Bonds, Series 2002-A	\$ 159,155,000	\$ -
Unamortized Premium - Series 2002-A	2,225,829	-
<b><u>MONTGOMERY DOWNTOWN REDEVELOPMENT AUTHORITY</u></b>		
Lease Revenue Refunding Bonds, Series 2002	35,390,000	-
Unamortized Premium - Series 2002	2,208,562	-
Unamortized Loss - Series 2002	(1,301,945)	-
<b><u>ALABAMA BUILDING RENOVATION FINANCE AUTHORITY</u></b>		
Building Renovation Revenue Bonds, Series 1999	31,290,000	-
Unamortized Discount - Series 1999	(44,699)	-
Unamortized Loss - Series 1999	(492,521)	-
Building Renovation Revenue Bonds, Series 2006	30,000,000	-
Unamortized Premium - Series 2006	299,650	-
<b><u>ALABAMA STATE PORT AUTHORITY</u></b>		
Docks Facilities Revenue Bonds, Series 1996	58,000,000	-
Docks Facilities Revenue Bonds, Series 1997	34,665,000	-
Docks Facilities Revenue Refunding Bonds, Series 1998	62,210,000	-
Docks Facilities Revenue Bonds, Series 2001	17,855,000	-
Docks Facilities Revenue Bonds, Series 2006A (AMT)	-	157,645,000
Docks Facilities Revenue Bonds, Series 2006B (non-AMT)	-	70,050,000
Docks Facilities Revenue Bonds, Series 2006C (AMT)	-	60,455,000
Docks Facilities Revenue Bonds, Series 2006D (AMT)	-	21,600,000
Unamortized (Discount)/Premium	(2,505,772)	7,644,507
Deferred Refunding Costs	-	(10,087,405)
<b><u>ALABAMA INCENTIVES FINANCING AUTHORITY</u></b>		
Taxable Special Obligation Bonds, Series 1995-B	35,445,000	-
Tax-Exempt Special Obligation Bonds, Series 1999-A	23,970,000	-
Taxable Special Obligation Bonds, Series 1999-B	62,050,000	-
Special Obligation Bonds, Series 1999-C	\$ 23,425,000	\$ -

ACCREDITED AMOUNTS FOR CAPITAL APPRECIATION BONDS		PRINCIPAL PAYMENTS	ADVANCE REFUNDED	AMORTIZATION OF DISCOUNT, LOSS OR PREMIUM	BONDS PAYABLE SEPTEMBER 30
\$	-	\$ (11,415,000)	\$ -	\$ -	\$ 147,740,000
	-	-	-	(202,348)	2,023,481
	-	(4,335,000)	-	-	31,055,000
	-	-	-	(315,509)	1,893,053
	-	-	-	185,992	(1,115,953)
	-	(1,070,000)	-	-	30,220,000
	-	-	-	8,941	(35,758)
	-	-	-	98,504	(394,017)
	-	-	-	-	30,000,000
	-	-	-	(12,485)	287,164
	-	-	(58,000,000)	-	-
	-	-	(34,665,000)	-	-
	-	-	(62,210,000)	-	-
	-	-	(17,855,000)	-	-
	-	(3,425,000)	-	-	154,220,000
	-	(3,665,000)	-	-	66,385,000
	-	(160,000)	-	-	60,295,000
	-	-	-	-	21,600,000
	-	-	-	-	5,138,735
	-	-	-	-	(10,087,405)
	540,000	-	-	-	35,985,000
	-	-	-	-	23,970,000
	-	(1,410,000)	-	-	60,640,000
\$	-	\$ (600,000)	\$ (10,900,000)	\$ -	\$ 11,925,000

# ***Schedule of Changes in Bond Indebtedness***

## ***For the Year Ended September 30, 2007***

<b>BOND ISSUE</b>	<b>BONDS PAYABLE OCTOBER 1</b>	<b>ISSUANCES</b>
<b><u>ALABAMA PUBLIC SCHOOL AND COLLEGE AUTHORITY</u></b>		
Capital Improvement Bonds, Series 1996	\$ 93,135,000	\$ -
Capital Improvement Bonds, Series 1998	300,000,000	-
Tax Exempt Special Obligation Bonds, Series 1999-A	18,360,000	-
Taxable Special Obligation Bonds, Series 1999-B	70,640,000	-
Capital Improvement Bonds, Series 1999-C	250,000,000	-
Capital Improvement Pool Bonds, Series 1999-D	182,635,000	-
Capital Improvement Pool Bonds, Series 2001-A	77,160,000	-
Taxable Special Obligation Bonds, Series 2001-B	8,155,000	-
Unamortized Premium - Series 2001-B	142,300	-
Tax Exempt Special Obligation Bonds, Series 2001-C	83,870,000	-
Unamortized Premium - Series 2001-C	753,565	-
Capital Improvement Pool Bonds, Series 2002-A	91,890,000	-
Unamortized Premium - Series 2002-A	4,426,602	-
Economic Development and Training Bonds, Series 2002-B	27,705,000	-
Unamortized Premium - Series 2002-B	341,170	-
Capital Improvement and Economic Development and Training Bonds, Series 2003	103,705,000	-
Unamortized Premium - Series 2003	2,466,285	-
Capital Improvement Pool, Series 2005	82,150,000	-
Unamortized Premium - Series 2005	354,156	-
Capital Improvement Bonds, Series 2006	53,565,000	-
Unamortized Premium - Series 2006	1,090,755	-
<b><u>STATE INDUSTRIAL DEVELOPMENT AUTHORITY</u></b>		
Special Tax Bonds, Series 1998	4,630,000	-
Special Tax Bonds, Series 2000	3,200,000	-
Special Tax Bonds, Series 2003	4,250,000	-
Unamortized Discount - Series 2003	(35,000)	-
<b><u>ALABAMA MENTAL HEALTH FINANCE AUTHORITY</u></b>		
Special Tax Refunding Bonds, Series 2005	22,175,000	-
Unamortized Premium - Series 2005	727,238	-
Unamortized Loss on Refunding - Series 2005	(450,871)	-
<b><u>ALABAMA 21ST CENTURY AUTHORITY</u></b>		
Tobacco Settlement Revenue Bonds, Series 2000	41,900,000	-
Tobacco Settlement Revenue Bonds, Series 2001	94,860,000	-
Unamortized Premium - Series 2001	\$ 1,496,650	\$ -

ACCRETED AMOUNTS FOR CAPITAL APPRECIATION BONDS		PRINCIPAL PAYMENTS	ADVANCE REFUNDED	AMORTIZATION OF DISCOUNT, LOSS OR PREMIUM		BONDS PAYABLE SEPTEMBER 30
\$	-	\$ (62,005,000)	\$ -	\$	-	\$ 31,130,000
	-	-	-		-	300,000,000
	-	-	-		-	18,360,000
	-	-	-		-	70,640,000
	-	-	-		-	250,000,000
	-	(9,955,000)	-		-	172,680,000
	-	(3,540,000)	-		-	73,620,000
	-	(2,535,000)	-		-	5,620,000
	-	-	-		(71,150)	71,150
	-	-	-		-	83,870,000
	-	-	-		(107,652)	645,913
	-	(3,855,000)	-		-	88,035,000
	-	-	-		(276,663)	4,149,939
	-	-	-		-	27,705,000
	-	-	-		(14,834)	326,336
	-	(1,250,000)	-		-	102,455,000
	-	-	-		(137,016)	2,329,269
	-	(2,930,000)	-		-	79,220,000
	-	-	-		(18,640)	335,516
	-	(1,695,000)	-		-	51,870,000
	-	-	-		(54,552)	1,036,203
	-	(1,815,000)	-		-	2,815,000
	-	(1,300,000)	-		-	1,900,000
	-	-	-		-	4,250,000
	-	-	-		5,000	(30,000)
	-	(4,490,000)	-		-	17,685,000
	-	-	-		(80,804)	646,434
	-	-	-		50,097	(400,774)
	-	(1,880,000)	-		-	40,020,000
	-	(3,220,000)	-		-	91,640,000
\$	-	\$ -	\$ -	\$	(93,541)	\$ 1,403,109

***Schedule of Changes in Bond Indebtedness***  
***For the Year Ended September 30, 2007***

<b>BOND ISSUE</b>	<b>BONDS PAYABLE OCTOBER 1</b>	<b>ISSUANCES</b>
<b><u>TENNESSEE VALLEY EXHIBIT COMMISSION</u></b>		
Project Revenue Refunding Bonds, Series 2003	\$ 1,230,000	\$ -
Unamortized Discount - Series 2003	(32,184)	-
Unamortized Loss - Series 2003	(25,385)	-
<b><u>ALABAMA REVOLVING LOAN FUND AUTHORITY</u></b>		
Special Obligation Bonds, Series 2000	10,165,000	-
<b><u>ALABAMA HOUSING FINANCE AUTHORITY</u></b>		
Mortgage Revenue Bonds	724,132,000	497,321,000
<b><u>ALABAMA WATER POLLUTION CONTROL AUTHORITY</u></b>		
Revolving Fund Loan Bonds, Series 1996-A	29,610,000	-
Revolving Fund Loan Bonds, Series 1996-B	31,235,000	-
Revolving Fund Loan Refunding Bonds, Series 1997	30,680,000	-
Revolving Fund Loan Bonds, Series 1998-A	46,410,000	-
Revolving Fund Loan Bonds, Series 1998-B	48,075,000	-
Revolving Fund Loan Bonds, Series 1999	49,695,000	-
Revolving Fund Loan Bonds, Series 2000	52,705,000	-
Revolving Fund Loan Bonds, Series 2002-A	28,920,000	-
Revolving Fund Loan Refunding Bonds, Series 2002-B	41,365,000	-
Revolving Fund Loan Bonds, Series 2003-A	30,955,000	-
Revolving Fund Loan Refunding Bonds, Series 2003-B	43,400,000	-
Revolving Fund Loan Refunding Bonds, Series 2003-C	8,970,000	-
Revolving Fund Loan Refunding Bonds, Series 2004-A	31,165,000	-
Unamortized Premium - All AWPCA	1,133,783	-
Unamortized Deferred Refunding Costs - All AWPCA	(7,128,680)	-
<b><u>ALABAMA DRINKING WATER FINANCE AUTHORITY</u></b>		
Revolving Fund Loan Bonds, Series 1998-A	26,845,000	-
Revolving Fund Loan Bonds, Series 2000-A	6,895,000	-
Taxable Revolving Fund Loan Bonds, Series 2000-B	4,540,000	-
Revolving Fund Loan Bonds, Series 2000-C	22,120,000	-
Revolving Fund Loan Bonds, Series 2002-A	30,740,000	-
Revolving Fund Loan Bonds, Series 2003-A	38,730,000	-
Revolving Fund Loan Bonds, Series 2004-A	24,880,000	-
Revolving Fund Loan Bonds, Series 2005-A	42,580,000	-
Unamortized Discounts - All ADWFA	\$ (1,054,261)	\$ -

ACCREDITED AMOUNTS FOR CAPITAL APPRECIATION BONDS		PRINCIPAL PAYMENTS	ADVANCE REFUNDED	AMORTIZATION OF DISCOUNT, LOSS OR PREMIUM		BONDS PAYABLE SEPTEMBER 30
\$	-	\$ (470,000)	\$ -	\$	-	\$ 760,000
	-	-	-		8,049	(24,135)
	-	-	-		6,345	(19,040)
	-	(405,000)	-		-	9,760,000
	-	(259,450,000)	-		-	962,003,000
	-	(1,920,000)	-		-	27,690,000
	-	(1,055,000)	-		-	30,180,000
	-	(4,605,000)	(6,250,000)		-	19,825,000
	-	(2,155,000)	-		-	44,255,000
	-	(2,465,000)	-		-	45,610,000
	-	(2,270,000)	-		-	47,425,000
	-	(2,200,000)	-		-	50,505,000
	-	(1,130,000)	-		-	27,790,000
	-	(4,120,000)	-		-	37,245,000
	-	(65,000)	-		-	30,890,000
	-	(3,410,000)	-		-	39,990,000
	-	(840,000)	-		-	8,130,000
	-	(3,030,000)	-		-	28,135,000
	-	-	-		(317,400)	816,383
	-	-	-		977,780	(6,150,900)
	-	(1,365,000)	-		-	25,480,000
	-	(315,000)	-		-	6,580,000
	-	(185,000)	-		-	4,355,000
	-	(900,000)	-		-	21,220,000
	-	(1,180,000)	-		-	29,560,000
	-	(1,115,000)	-		-	37,615,000
	-	-	-		-	24,880,000
	-	-	-		-	42,580,000
\$	-	\$ -	\$ -	\$	88,326	\$ (965,935)

***Schedule of Changes in Bond Indebtedness  
For the Year Ended September 30, 2007***

<b>BOND ISSUE</b>	<b>BONDS PAYABLE OCTOBER 1</b>	<b>ISSUANCES</b>
<b><u>ALABAMA SPACE SCIENCE EXHIBIT FINANCE AUTHORITY</u></b>		
Revenue Bonds, Series 2005-A	\$ 4,400,000	\$ -
Revenue Bonds, Series 2005-B	12,580,000	-
Unamortized Deferred Loss - Series 2005-A and 2005-B	(794,117)	-
<b><u>ALABAMA HIGHER EDUCATION LOAN CORPORATION</u></b>		
Student Loan Revenue Bonds, Series 1994-C	2,755,000	-
Student Loan Revenue Bonds, Series 1994-D	6,530,000	-
Student Loan Revenue Bonds, Series 1998-A	25,000,000	-
Student Loan Revenue Bonds, Series 2006A-1	-	25,000,000
Student Loan Revenue Bonds, Series 2006A-2	-	75,000,000
TOTAL REVENUE BONDS	<u>3,745,147,101</u>	<u>904,628,102</u>
<b><u>GRAND TOTALS - BONDS BY TYPE</u></b>		
General Obligation Bonds	516,973,216	314,332,700
Revenue Bonds	3,745,147,101	904,628,102
GRAND TOTALS - ALL BONDS	<u>\$ 4,262,120,317</u>	<u>\$ 1,218,960,802</u>



ACCRETED AMOUNTS FOR CAPITAL APPRECIATION BONDS			PRINCIPAL PAYMENTS			ADVANCE REFUNDED			AMORTIZATION OF DISCOUNT, LOSS OR PREMIUM			BONDS PAYABLE SEPTEMBER 30		
\$	-	\$	-	\$	-	\$	-	\$	-	\$	4,400,000			
	-		(475,000)		-		-		-		12,105,000			
	-		-		-		83,272				(710,845)			
	-		-		(2,755,000)		-		-		-			
	-		-		(6,530,000)		-		-		-			
	-		-		(25,000,000)		-		-		-			
	-		-		-		-		-		25,000,000			
	-		-		-		-		-		75,000,000			
1,854,420		(428,265,000)		(224,165,000)		(92,987)		3,999,106,635						
1,909,528		(59,545,000)		-		(417,504)		773,252,940						
1,854,420		(428,265,000)		(224,165,000)		(92,987)		3,999,106,635						
\$	3,763,948	\$	(487,810,000)	\$	(224,165,000)	\$	(510,491)	\$	4,772,359,576					

# Status of Bonds Issued and Outstanding

## At September 30, 2007

The Bonds Payable totals by category at September 30, 2007, consist of the following individual bond issues:

General Obligation Bonds	Date of Issue	Date of Last Maturity	Interest Rates	Bonds Issued
General Obligation, Capital Appreciation Refunding Bonds, Series 1999-A	15-Jul-99	1-Oct-07	4.75% - 4.98%	\$ 54,359,791
General Obligation Refunding Bonds 1999-B	15-Jul-99	1-Oct-09	3.75% - 5.00%	14,395,000
General Obligation Bonds, Series 2001-A	1-Feb-01	1-Jun-21	4.50% - 5.25%	57,700,000
General Obligation Bonds, Series 2001-B	1-Mar-01	1-Jun-21	4.00% - 5.00%	17,500,000
General Obligation Bonds, Series 2001-C	1-Jun-01	1-Jun-21	3.75% - 5.50%	104,000,000
General Obligation Bonds, Series 2001-D	1-Jun-01	1-Jun-21	4.00% - 5.00%	6,000,000
General Obligation Bonds, Series 2001-E	1-Nov-01	1-Sep-21	4.00% - 5.00%	85,000,000
General Obligation Bonds, Series 2002-A	1-Sep-02	1-Sep-22	3.00% - 5.00%	54,955,000
General Obligation Bonds, Series 2005-A	1-Feb-05	1-Feb-25	3.00% - 5.00%	103,920,000
General Obligation Bonds, Series 2006	1-Feb-06	1-Feb-26	3.50% - 5.00%	61,150,000
General Obligation Bonds, Series 2007-A	1-Aug-07	1-Aug-27	3.50% - 5.00%	305,000,000
Total General Obligation Bonds				<u>\$863,979,791</u>
Total Matured Bonds at 9/30/2007 – General Obligation Bonds				
Plus Unamortized Premium – G. O. Bonds Series 2001-E				
Plus Unamortized Premium – G. O. Bonds Series 2002-A				
Plus Unamortized Premium – G. O. Bonds Series 2005-A				
Plus Unamortized Premium – G. O. Bonds Series 2006				
Plus Unamortized Premium – G. O. Bonds Series 2007-A				
Net Outstanding Principal at 9/30/2007 – General Obligation Bonds				

Revenue Bonds	Date of Issue	Date of Last Maturity	Interest Rates	Bonds Issued
<u>Alabama Corrections Institution Finance Authority</u>				
Series 2003-A Refunding Bonds	1-Jan-03	1-Apr-13	3.00% - 4.00%	\$ 17,530,000
Series 2003-B	1-Jan-03	1-Apr-15	5%	4,000,000
<u>Alabama Judicial Building Authority</u>				
Capital Appreciation Refunding Bonds, Series 1996	1-Dec-96	1-Jan-14	5.15% - 5.75%	15,194,439
<u>Alabama Public Health Care Authority</u>				
Mortgage Revenue Bonds, Series 2005	1-Sep-05	1-Sep-35	4.00% - 4.50%	57,975,000
<u>Alabama Federal Aid Highway Finance Authority</u>				
Federal Hwy Grant Anticipation Bonds, Series 2002-A	1-Apr-02	1-Sep-17	3.25% - 5.25%	200,000,000
<u>Montgomery Downtown Redevelopment Authority</u>				
Mortgage Revenue Refunding Bonds, Series 2002	8-Aug-02	1-Apr-13	2.30% - 5.00%	43,265,000
<u>Alabama Building Renovation Finance Authority</u>				
Building Revenue Bonds, Series 1999	1-Sep-99	1-Sep-24	4.20% - 5.50%	35,975,000
Building Revenue Bonds, Series 2006	1-Aug-06	1-Sep-31	4.00% - 5.00%	30,000,000
<u>Alabama State Port Authority</u>				
Docks Facilities Revenue Bonds, Series 1996	1-Mar-96	1-Oct-21	6.10% - 6.30%	58,000,000
Docks Facilities Revenue Bonds, Series 1997	1-Sep-97	1-Oct-17	4.900% - 5.375%	34,665,000
Docks Facilities Revenue Ref. Bonds, Series 1998	8-Jul-98	1-Oct-22	5.25% - 6.00%	101,590,000
Docks Facilities Revenue Bonds, Series 2001	1-Dec-01	1-Oct-26	5.25%	17,855,000
Docks Facilities Revenue Bonds, Series 2006A (AMT)	1-Nov-06	1-Oct-36	4.50% - 5.00%	157,645,000
Docks Facilities Revenue Bonds, Series 2006B (non-AMT)	1-Nov-06	1-Oct-36	4.50% - 5.00%	70,050,000
Docks Facilities Revenue Bonds, Series 2006C (AMT)	21-Nov-06	1-Oct-21	5.38%	60,455,000
Docks Facilities Revenue Bonds, Series 2006D (AMT)	1-Dec-06	1-Oct-30	4.35%	\$ 21,600,000

# Status of Bonds Issued and Outstanding

## At September 30, 2007

Matured Bonds	Unmatured Bonds	Accreted Amounts for Capital Appreciation Bonds	Interest on Unmatured Bonds	Total Unmatured Bonds and Interest	Bond Rating (1)	
					Moody's	Standard & Poor's
\$ 40,981,991	\$ 13,377,800	\$6,136,200	\$ 486,000	\$ 20,000,000	Aa3	AA
9,330,000	5,065,000		381,258	5,446,258	Aa3	AA
12,625,000	45,075,000		18,525,413	63,600,413	Aa3	AA
3,620,000	13,880,000		5,549,680	19,429,680	Aa3	AA
20,975,000	83,025,000		35,471,510	118,496,510	Aa3	AA
1,210,000	4,790,000		1,953,850	6,743,850	Aa3	AA
7,065,000	77,935,000		29,404,888	107,339,888	Aa3	AA
10,155,000	44,800,000		17,347,340	62,147,340	Aa3	AA
7,450,000	96,470,000		44,307,444	140,777,444	Aa3	AA
	61,150,000		29,111,644	90,261,644	Aa2	AA
	305,000,000		171,932,050	476,932,050	Aa2	AA
<u>\$113,411,991</u>	<u>\$750,567,800</u>	<u>\$6,136,200</u>	<u>\$354,471,075</u>	<u>\$1,111,175,075</u>		
	\$750,567,800					
	695,087					
	772,509					
	4,717,472					
	1,031,172					
	9,332,700					
	<u>\$767,116,740</u>					

Matured Bonds	Unmatured Bonds	Accreted Amounts for Capital Appreciation Bonds	Interest on Unmatured Bonds	Total Unmatured Bonds and Interest	Bond Rating (1)	
					Moody's	Standard & Poor's
\$ 7,180,000	\$ 10,350,000	\$	\$ 1,478,850	\$ 11,828,850	Aaa	AAA
	4,000,000		1,502,000	5,502,000	Aaa	AAA
2,386,511	12,807,929	9,989,633	4,697,438	27,495,000	Aaa	AAA
2,090,000	55,885,000		42,459,331	98,344,331	Aaa	AAA
52,260,000	147,740,000		40,248,475	187,988,475	Aaa	AAA
12,210,000	31,055,000		5,632,375	36,687,375	Aaa	AAA
5,755,000	30,220,000		17,652,619	47,872,619	Aaa/A2	AAA/AA-
	30,000,000		19,862,100	49,862,100	Aaa/Aa3	AAA/AA-
58,000,000					Aaa	AAA
34,665,000					Aaa	AAA
101,590,000					Aaa	AAA
17,855,000					Aaa	AAA
3,425,000	154,220,000		140,874,768	295,094,768	Aaa	AAA
3,665,000	66,385,000		38,519,725	104,904,725	Aaa	AAA
160,000	60,295,000		25,564,208	85,859,208	Aaa	AAA
\$	\$ 21,600,000	\$	\$ 20,251,425	\$ 41,851,425	Aaa	AAA

# Status of Bonds Issued and Outstanding

## At September 30, 2007

Revenue Bonds	Date of Issue	Date of Last Maturity	Interest Rates	Bonds Issued
<u>Alabama Incentives Financing Authority</u>				
Taxable Special Obligation Bonds, Series 1995-B	1-Aug-95	1-Apr-30	10.00%	\$ 30,000,000
Tax Exempt Special Obligation Bonds, Series 1999-A	1-Oct-99	1-Oct-29	6.20%	23,970,000
Taxable Special Obligation Bonds, Series 1999-B	1-Oct-99	1-Oct-29	6.25% - 8.04%	68,825,000
Special Obligation Bonds, Series 1999-C	15-Nov-99	1-Oct-29	Variable	42,425,000
<u>Alabama Public School &amp; College Authority</u>				
Capital Improvement Bonds, Series 1996	15-Jan-96	1-Nov-07	4.50% - 5.25%	215,000,000
Capital Improvement Bonds, Series 1998	1-Nov-98	1-Nov-18	5.000% - 5.250%	300,000,000
Tax Exempt Special Obligation, Series 1999-A	1-Sep-99	1-Sep-28	5.85%	18,360,000
Taxable Special Obligation, Series 1999-B	1-Sep-99	1-Sep-09	710% - 7.15%	70,640,000
Capital Improvement Bonds, Series 1999-C	1-Oct-99	1-Jul-19	5.50% - 5.75%	250,000,000
Capital Improvement Bonds, Series 1999-D	1-Nov-99	1-Aug-19	5.00% - 6.00%	243,190,000
Capital Improvement Pool Bonds, Series 2001-A	15-May-01	1-Aug-21	4.500% - 5.625%	92,565,000
Taxable Special Obligation, Series 2001-B	15-Dec-01	1-Nov-08	5.000% - 5.625%	13,585,000
Tax Exempt Special Obligation, Series 2001-C	15-Dec-01	1-Nov-13	4.125% - 5.000%	83,870,000
Capital Improvement Pool Bonds, Series 2002-A	22-Aug-02	1-Feb-22	3.00% - 5.00%	106,145,000
Economic Development and Training Bonds, Series 2002-B	1-Dec-02	1-Dec-28	4.00% - 5.00%	27,705,000
Capital Improvement and Eco. Develop. and Train., Series 2003	1-Dec-03	1-Dec-23	2.00% - 5.00%	106,045,000
Capital Improvement Pool Bonds, Series 2005	1-Feb-05	1-Feb-25	3.00% - 4.50%	84,980,000
Capital Improvement Bonds, Series 2006	16-Mar-06	1-Mar-26	4.00% - 5.00%	53,565,000
<u>State Industrial Development Authority</u>				
Special Tax Bonds, Series 1998	1-Feb-98	1-Feb-08	4.00% - 4.30%	10,000,000
Special Tax Bonds, Series 2000	1-Oct-01	1-Sep-10	4.65% - 5.00%	5,000,000
Special Tax Bonds, Series 2003	1-Jan-03	1-Jul-13	2.50% - 4.50%	5,000,000
<u>Alabama Mental Health Finance Authority Bonds</u>				
Limited Obligation Special Tax Refunding, Series 2005	1-Jun-05	1-Jun-15	4.00% - 5.00%	26,595,000
<u>Tennessee Valley Exhibit Commission</u>				
Project Revenue Refunding Bonds, Series 2003	1-May-03	1-Jun-10	1.25% - 2.90%	2,610,000
<u>Alabama 21<sup>st</sup> Century Authority</u>				
Tobacco Settlement Revenue Bonds, Series 2000	1-Sep-00	1-Dec-20	5.000% - 6.125%	50,000,000
Tobacco Settlement Revenue Bonds, Series 2001	1-Dec-01	1-Dec-21	5.25% - 5.75%	103,760,000
<u>Alabama Revolving Loan Fund Authority</u>				
Special Obligation Bonds, Series 2000	1-Mar-00	1-Mar-20	8.18%	12,000,000
<u>Alabama Housing Finance Authority</u>				
Mortgage Revenue Bonds	Various	Various	Various	2,461,735,000
<u>Alabama Water Pollution Control Authority</u>				
Revolving Fund Loan, Series 1996A	15-Jan-96	15-Aug-18	5.00% - 5.25%	44,690,000
Revolving Fund Loan, Series 1996B	1-Nov-96	15-Aug-20	5.25% - 5.50%	51,975,000
Revolving Fund Loan, Series 1997 Ref.	1-Oct-97	15-Feb-13	4.50% - 5.00%	59,040,000
Revolving Fund Loan, Series 1998A	1-Jan-98	15-Aug-21	4.75%	58,545,000
Revolving Fund Loan, Series 1998B	1-Dec-98	15-Aug-15	4.25% - 4.75%	61,660,000
Revolving Fund Loan, Series 1999	1-Dec-99	15-Aug-23	4.25% - 6.00%	60,430,000
Revolving Fund Loan, Series 2000	1-Dec-00	15-Aug-23	4.30% - 5.75%	61,795,000
Revolving Fund Loan, Series 2002-A	15-Jan-02	15-Aug-24	3.00% - 5.00%	32,555,000
Revolving Fund Loan, Series 2002-B Ref.	1-Feb-02	15-Aug-14	3.000% - 5.375%	58,425,000
Revolving Fund Loan, Series 2003-A	1-Jan-03	15-Aug-23	3% - 5%	30,985,000
Revolving Fund Loan, Series 2003-B Ref.	1-Jan-03	15-Feb-16	3.000% - 4.375%	52,650,000
Revolving Fund Loan, Series 2003-C Ref.	1-Aug-03	15-Aug-15	2.50% - 4.25%	11,385,000
Revolving Fund Loan, Series 2004-A Ref.	1-Apr-04	15-Aug-16	2.00% - 4.00%	\$ 34,580,000

# Status of Bonds Issued and Outstanding

## At September 30, 2007

Matured Bonds	Unmatured Bonds	Accreted Amounts for Capital Appreciation Bonds	Interest on Unmatured Bonds	Unmatured Bonds and Interest	Bond Rating (1)	
					Moody's	Standard & Poor's
\$	\$ 30,000,000	\$5,985,000	\$131,104,927	\$ 167,089,927		
	23,970,000		26,574,900	50,544,900	AAA	Aaa
8,185,000	60,640,000		61,057,807	121,697,807	AAA	Aaa
30,500,000	11,925,000		4,515,170	16,440,170		AAA
183,870,000	31,130,000		758,794	31,888,794	Aa	AAA
	300,000,000		100,565,625	400,565,625	Aa3	AA
	18,360,000		18,116,450	36,476,450	Aaa	AAA
	70,640,000		8,039,440	78,679,440	Aaa	AAA
	250,000,000		112,670,125	362,670,125	Aa3	AA
70,510,000	172,680,000		70,933,175	243,613,175	Aa3	AA
18,945,000	73,620,000		30,057,353	103,677,353	Aa3	AA
7,965,000	5,620,000		316,125	5,936,125	Aaa	AAA
	83,870,000		17,774,388	101,644,388	Aaa	AAA
18,110,000	88,035,000		37,085,625	125,120,625	Aa3	AA
	27,705,000		18,299,431	46,004,431	Aa3	AA
3,590,000	102,455,000		50,289,113	152,744,113	Aa3	AA
5,760,000	79,220,000		34,234,863	113,454,863	Aa3	AAA
1,695,000	51,870,000		25,039,261	76,909,261	Aaa/Aa2	AAA/AA
7,185,000	2,815,000		60,523	2,875,523	Aaa	
3,100,000	1,900,000		169,500	2,069,500	Aaa	AAA
750,000	4,250,000		518,100	4,768,100	A2	
8,910,000	17,685,000		2,258,988	19,943,988	Aaa	AAA
1,850,000	760,000		30,500	790,500	AAA	
9,980,000	40,020,000		18,295,645	58,315,645	Aa1	A
12,120,000	91,640,000		48,375,044	140,015,044	Aa1	A
2,240,000	9,760,000		6,087,556	15,847,556	Aaa	AAA
1,499,732,000	962,003,000		774,027,000	1,736,030,000		
17,000,000	27,690,000		9,349,813	37,039,813	Aaa	AAA
21,795,000	30,180,000		13,232,098	43,412,098	Aaa	AAA
39,215,000	19,825,000		3,445,845	23,270,845	Aaa	AAA
14,290,000	44,255,000		17,277,175	61,532,175	Aaa	AAA
16,050,000	45,610,000		17,858,119	63,468,119	Aaa	AAA
13,005,000	47,425,000		24,339,100	71,764,100	Aaa	AAA
11,290,000	50,505,000		26,441,403	76,946,403	Aaa	AAA
4,765,000	27,790,000		13,436,758	41,226,758	Aaa	AAA
21,180,000	37,245,000		7,841,150	45,086,150	Aaa	AAA
95,000	30,890,000		23,726,138	54,616,138	Aaa	AAA
12,660,000	39,990,000		8,064,281	48,054,281	Aaa	AAA
3,255,000	8,130,000		1,489,641	9,619,641	Aaa	AAA
\$ 6,445,000	\$ 28,135,000	\$	\$ 5,338,800	\$ 33,473,800	Aaa	AAA

# Status of Bonds Issued and Outstanding

## At September 30, 2007

Revenue Bonds	Date of Issue	Date of Last Maturity	Interest Rates	Bonds Issued
<u>Alabama Drinking Water Finance Authority</u>				
Revolving Fund Loan Bonds, Series 1998A	1-Sep-98	15-Aug-22	4.00% - 4.85%	\$ 36,785,000
Revolving Fund Loan Bonds, Series 2000A	1-Feb-00	15-Aug-22	6.00%	8,605,000
Revolving Fund Loan Bonds, Series 2000B	1-Feb-00	15-Aug-22	8.35%	5,525,000
Revolving Fund Loan Bonds, Series 2000C	1-Dec-00	15-Aug-23	4.30% - 5.75%	25,895,000
Revolving Fund Loan Bonds, Series 2002-A	1-Jan-02	15-Aug-24	3.00% - 5.25%	37,575,000
Revolving Fund Loan Bonds, Series 2003-A	1-Dec-03	15-Aug-27	2.00% - 4.75%	38,915,000
Revolving Fund Loan Bonds, Series 2004-A	1-Dec-04	15-Aug-28	4.00% - 4.625%	24,880,000
Revolving Fund Loan Bonds, Series 2005-A	1-Oct-05	15-Aug-28	4.00% - 5.25%	42,580,000
<u>Alabama Space Science Exhibit Finance Authority</u>				
Revenue Refunding Bonds, Series 2005-A	27-May-05	1-Oct-22	Variable	4,400,000
Revenue Refunding Bonds, Series 2005-B	1-May-05	1-Oct-25	6.00%	12,580,000
<u>Alabama Higher Education Loan Corporation</u>				
Student Loan Revenue Bonds, Series 1994-C	1-Apr-94	1-Mar-09	4.50% - 6.10%	34,450,000
Student Loan Revenue Bonds, Series 1994-D	1-Apr-94	1-Sep-10	4.50% - 6.15%	35,000,000
Student Loan Revenue Bonds, Series 1998-A	25-Jun-98	1-Mar-33	Variable	25,000,000
Student Loan Revenue Bonds, Series 2006A-1	27-Nov-06	1-Mar-33	Variable	25,000,000
Student Loan Revenue Bonds, Series 2006A-2	27-Nov-06	1-Nov-41	Variable	75,000,000
Total Revenue Bonds				<u>\$6,484,274,439</u>
Total Unmatured Bonds at 9/30/2007 – Revenue Bonds				
Plus Unamortized Premium – Corrections Institution Finance Authority				
Less Unamortized Loss – Corrections Institution Finance Authority				
Less Unamortized Discount – Public Health Care Authority				
Less Unamortized Bond Issuance Costs – Public Health Care Authority				
Less Unamortized Loss – Public Health Care Authority				
Plus Unamortized Premium – Federal Aid Highway Finance Authority				
Plus Unamortized Premium – Montgomery Downtown Redevelopment Authority				
Less Unamortized Loss – Montgomery Downtown Redevelopment Authority				
Less Unamortized Discount – Building Renovation Finance Authority				
Less Unamortized Loss – Building Renovation Finance Authority				
Plus Unamortized Premium – Building Renovation Finance Authority				
Plus Unamortized Premium – Alabama State Port Authority				
Less Unamortized Deferred Refunding Costs - Alabama State Port Authority				
Plus Unamortized Premium – Public School and College Authority				
Less Unamortized Discount – State Industrial Development Authority				
Plus Unamortized Premium – Alabama Mental Health Finance Authority				
Less Unamortized Loss on Refunding – Alabama Mental Health Finance Authority				
Less Unamortized Discount – Tennessee Valley Exhibit Commission				
Less Unamortized Loss – Tennessee Valley Exhibit Commission				
Plus Unamortized Premium – 21st Century Authority				
Plus Unamortized Premium – Alabama Water Pollution Control Authority				
Less Unamortized Refunding Costs – Alabama Water Pollution Control Authority				
Less Unamortized Discount – Alabama Drinking Water Finance Authority				
Less Unamortized Loss – Alabama Space Science Exhibit Finance Authority				
Net Outstanding Principal at 9/30/2007 – Revenue Bonds				
Recap:				
Total General Obligation Bonds				\$ 863,979,791
Total Revenue Bonds				6,484,274,439
Plus Unamortized Premium				
Less Unamortized Loss				
Less Unamortized Discount				
Less Unamortized Bond Issuance Costs				
Less Unamortized Deferred Refunding Costs				
Total All Bonds				<u>\$7,348,254,230</u>

# *Status of Bonds Issued and Outstanding* *At September 30, 2007*

Matured Bonds	Unmatured Bonds	Accreted Amounts for Capital Appreciation Bonds	Interest on Unmatured Bonds	Total Unmatured Bonds and Interest	Bond Rating (1)	
					Moody's	Standard & Poor's
\$ 11,305,000	\$ 25,480,000	\$	\$ 9,859,298	\$ 35,339,298	Aaa	AAA
2,025,000	6,580,000		3,273,633	9,853,633	Aaa	AAA
1,170,000	4,355,000		3,226,025	7,581,025	Aaa	AAA
4,675,000	21,220,000		10,829,219	32,049,219	Aaa	AAA
8,015,000	29,560,000		15,327,766	44,887,766	Aaa	AAA
1,300,000	37,615,000		19,561,068	57,176,068	Aaa	AAA
	24,880,000		17,191,644	42,071,644	Aaa	AAA
	42,580,000		27,101,650	69,681,650	Aaa	AAA
	4,400,000		2,174,289	6,574,289		
475,000	12,105,000		7,782,750	19,887,750		
34,450,000					Aaa	AAA
35,000,000					Aaa	AAA
25,000,000						AAA
	25,000,000		28,276,042	53,276,042	Aaa	AAA
	75,000,000		116,437,500	191,437,500	Aaa	AAA
<u>\$2,500,698,511</u>	<u>\$3,983,575,929</u>	<u>\$15,974,633</u>	<u>\$2,388,879,939</u>	<u>\$6,388,430,501</u>		
	\$3,983,575,929					
	350,225					
	(150,621)					
	(512,907)					
	(347,143)					
	(951,404)					
	2,023,481					
	1,893,053					
	(1,115,953)					
	(35,758)					
	(394,017)					
	287,164					
	5,138,735					
	(10,087,405)					
	8,894,326					
	(30,000)					
	646,434					
	(400,774)					
	(24,135)					
	(19,040)					
	1,403,109					
	816,383					
	(6,150,900)					
	(965,935)					
	(710,845)					
	<u>\$3,983,132,002</u>					
\$ 113,411,991	\$ 750,567,800	\$ 6,136,200	\$ 354,471,075	\$1,111,175,075		
2,500,698,511	3,983,575,929	15,974,633	2,388,879,939	6,388,430,501		
	37,971,851			37,971,851		
	(3,742,655)			(3,742,655)		
	(1,538,735)			(1,538,735)		
	(347,143)			(347,143)		
	(16,238,305)			(16,238,305)		
<u>\$2,614,110,501</u>	<u>\$4,750,248,743</u>	<u>\$22,110,833</u>	<u>\$2,743,351,014</u>	<u>\$7,515,710,590</u>		

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## *Status of Bonds Issued and Outstanding*

### *At September 30, 2007*

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#### *(1) Bond Ratings*

Bond ratings are current assessments of the credit worthiness of the obligor with respect to a specific obligation. The ratings are based on information furnished by the issuer or obtained by the rating company from sources it considers reliable. The quality of most bonds is not fixed and steady over a period of time, but tends to undergo change. For this reason the ratings are subject to change, due to changes in or unavailability of such information, or for other circumstances.

The ratings shown above are those that were initially assigned to the bonds. The ratings symbols include AAA, AA, A, BBB, BB, B, CCC, CC, C, and D (D – only S & P), with the “A” group being the highest rated and the “C” group being the lowest rated. S & P’s D rating indicates a bond in default. Moody’s uses a combination of upper and lower case letters. Most bonds issued by the State or any of its authorities and agencies are rated in the “A” group, and there have been no instances in which the rating of a bond was downgraded. The following is a key to the ratings.

<b>S &amp; P's</b>	<b>Moody's</b>	<b>Key</b>
AAA	Aaa	Bonds rated AAA and Aaa are judged to be of the best quality. They carry the smallest degree of investment risk. Capacity to pay interest and repay principal is extremely strong.
AA	Aa	Bonds rated AA and Aa are judged to be high quality by all standards. AA and Aa debt has a very strong capacity to pay interest and repay principal and differs from the higher rated issues only in small degrees.
A	A	Bonds rated A have a strong capacity to pay interest and repay principal, although they are somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than debt in higher rated categories.
BBB	Baa	Bonds rated BBB and Baa are regarded as having an adequate capacity to pay interest and repay principal. Whereas it normally exhibits adequate protection parameters, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal for debt in this category than in higher rated categories.
(+) (-)		Standard & Poor's rating from "AA" to "B" may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.
	1, 2 & 3	Moody's applies numerical modifiers, 1, 2, and 3 in each generic rating classification from "Aa" through "B" to show relative standing within the major rating categories, with 1 being the highest rating.



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***Bonds Outstanding***  
***September 30, 1998 through September 30, 2007***

	1998	1999	2000	2001
<b>General Obligation Bonds</b>	\$ 341,888,286	\$ 319,159,791	\$ 292,481,506	\$ 433,057,874
<b><u>Revenue Bonds</u></b>				
Alabama Industrial Access Road and Bridge Corporation	22,185,000	18,835,000	15,325,000	11,650,000
Alabama Corrections Institution Finance Authority	51,220,000	47,075,000	42,740,000	38,200,000
Alabama Judicial Building Authority	41,668,181	40,227,816	38,558,555	36,755,870
Alabama Public Health Care Authority	30,000,000	30,000,000	29,505,000	29,505,000
Federal Aid Highway Finance Authority				
Montgomery Downtown Redevelopment Authority	66,010,000	63,605,000	61,040,000	58,350,000
Alabama Building Renovation Finance Authority	23,805,075	34,685,666	34,793,110	34,900,555
Alabama State Port Authority	188,208,674	184,853,650	180,972,240	176,992,749
Alabama Incentives Financing Authority	130,179,315	126,418,975	167,592,000	166,135,000
Alabama Public School and College Authority	512,820,000	860,885,000	1,301,000,000	1,339,655,000
State Industrial Development Authority	24,305,000	21,820,000	19,325,000	21,800,000
Alabama Mental Health Finance Authority	67,885,000	63,720,000	59,265,000	54,620,000
Alabama 21st Century Authority			50,000,000	50,000,000
Tennessee Valley Exhibit Commission	3,740,000	3,485,000	3,210,000	2,915,000
Alabama Revolving Loan Fund Authority			12,000,000	11,755,000
Alabama Housing Finance Authority	1,096,222,000	1,095,318,000	1,096,814,000	1,112,706,000
Alabama Water Pollution Control Authority	445,538,543	495,276,156	528,863,487	571,132,206
Alabama Drinking Water Finance Authority	36,647,177	36,316,528	49,289,418	71,939,916
Alabama Space Science Exhibit Finance Authority	9,990,944	21,123,788	20,514,109	17,377,937
Alabama Historic Ironworks Commission	166,476	128,882	91,451	65,246
Alabama Higher Education Loan Corporation	95,237,873	84,830,639	74,903,645	64,153,578
Total Revenue Bonds	2,845,829,258	3,228,605,100	3,785,802,015	3,870,609,057
Grand Totals	\$3,187,717,544	\$3,547,764,891	\$4,078,283,521	\$4,303,666,931

2002	2003	2004	2005	2006	2007
\$ 535,079,437	\$ 490,085,486	\$ 445,211,427	\$ 507,502,812	\$ 516,973,216	\$ 773,252,940
7,790,000	3,725,000	1,305,000			
33,445,000	33,275,368	27,815,177	22,099,986	16,099,795	14,549,604
34,807,023	32,703,150	30,425,009	27,996,153	25,458,142	22,797,562
28,616,152	28,082,459	27,507,987	55,945,728	55,041,055	54,073,546
203,035,221	193,297,873	183,125,525	172,493,177	161,380,829	149,763,481
44,689,684	44,560,167	44,430,651	40,546,134	36,296,617	31,832,100
34,148,000	33,360,445	32,532,890	31,665,335	61,052,430	60,077,389
190,121,198	185,623,644	180,826,306	175,707,824	170,224,228	297,551,330
165,201,000	164,179,000	163,055,000	161,833,000	144,890,000	132,520,000
1,492,919,325	1,456,624,531	1,496,649,550	1,508,755,031	1,452,544,832	1,364,099,326
19,330,000	21,180,000	18,135,000	15,090,000	12,045,000	8,935,000
49,725,000	44,635,000	39,235,000	26,902,075	22,451,368	17,930,660
154,170,812	152,542,271	147,958,731	143,205,190	138,256,650	133,063,109
2,605,000	2,509,248	2,068,642	1,623,036	1,172,431	716,825
11,485,000	11,195,000	10,880,000	10,535,000	10,165,000	9,760,000
1,161,302,000	1,042,588,000	891,422,000	755,713,000	724,132,000	962,003,000
582,444,457	589,975,237	555,338,147	494,598,900	467,190,103	432,335,483
107,178,808	103,993,484	136,667,530	157,885,017	196,275,739	191,304,065
16,707,047	15,991,157	14,890,268	16,100,813	16,185,883	15,794,155
40,090	15,060				
54,390,000	48,435,000	43,400,000	38,725,000	34,285,000	100,000,000
4,394,150,817	4,208,491,094	4,047,668,412	3,857,420,400	3,745,147,101	3,999,106,635
\$ 4,929,230,254	\$ 4,698,576,580	\$ 4,492,879,839	\$ 4,364,923,212	\$ 4,262,120,317	\$ 4,772,359,576

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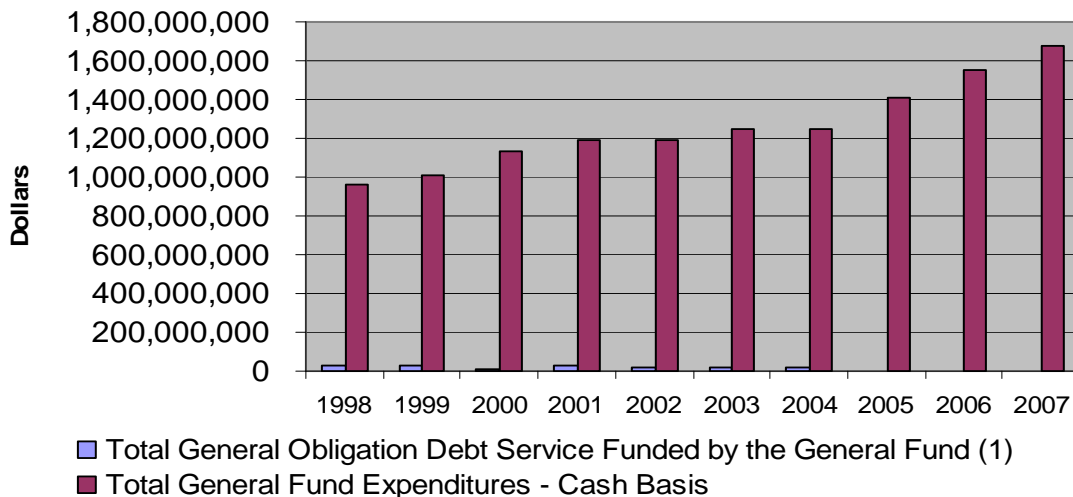
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# *Ratio of Annual Debt Service for General Obligation Bonds to Actual General Fund Expenditures 1998 through 2007*

Fiscal Year Ended September 30	Total General Obligation Debt Service Funded by the General Fund (1)	Total General Fund Expenditures – Cash Basis	Percent
1998	\$28,216,888	\$ 963,838,823	2.93%
1999	24,911,632	1,011,763,000	2.46%
2000	6,188,401	1,136,988,000	0.54%
2001	23,869,593	1,188,303,000	2.01%
2002	19,643,154	1,188,382,000	1.65%
2003	19,161,948	1,247,865,000	1.54%
2004	16,728,551	1,249,055,284	1.34%
2005	0	1,410,525,500	0.00%
2006	0	1,548,947,194	0.00%
2007	\$ 0	\$1,675,352,044	0.00%

(1) Debt service expenditures do not include expenditures for General Obligation Bonds that were not paid from the General Fund Appropriations. The bonds in this category were paid from special taxes or were paid from revenues of the Department of Transportation. The following bond issues are not included: the portion of the G. O. Refunding Bonds, Series 1992, that was partially paid from Funds 0200 (Education Trust Fund) and 0319 (Department of Transportation) during the 1997-1998 (\$34,717,824), 1998-1999 (\$34,464,140), and 1999-2000 (\$31,612,503) fiscal years; the portion of the G. O. Refunding, Series 1999-A, that was partially paid from Funds 0200, 0319, and/or 0907 (General Fund) during the 2000-2001 (\$34,574,137), 2001-2002 (\$26,805,284), 2002-2003 (\$23,464,652), 2003-2004 (\$35,394,528), 2004-2005 (\$27,098,021), 2005-2006 (\$27,008,087), and 2006-2007 (\$26,916,055) fiscal years, and the money used to pay for the G. O. Series 2001-A, 2001-B, 2001-E, and 2002-A bonds from other Funds in the 2003-04 fiscal year (\$14,980,255), and the money used to pay for the G. O. Series 2001-A, 2001-B, 2001-C, 2001-D, 2001-E, 2002-A, 2005-A, and 2006 bonds from other Funds in the 2004-2005 (\$41,915,421), 2005-2006 (\$48,874,418), and 2006-2007 (\$37,404,256) fiscal years. Act 2005-303 moved payments from the General Fund to the Alabama Capital Improvement Trust Fund in the 2004-2005, 2005-2006, and 2006-2007 fiscal years.

**General Obligation Debt Vs. Total General Fund Expenditures**



## *Annual Requirements to Amortize Bond Debt*

### *At September 30, 2007*

The annual requirements to amortize all bonds outstanding as of September 30, 2007, are as follows (before including the accretion on Capital Appreciation Bonds).

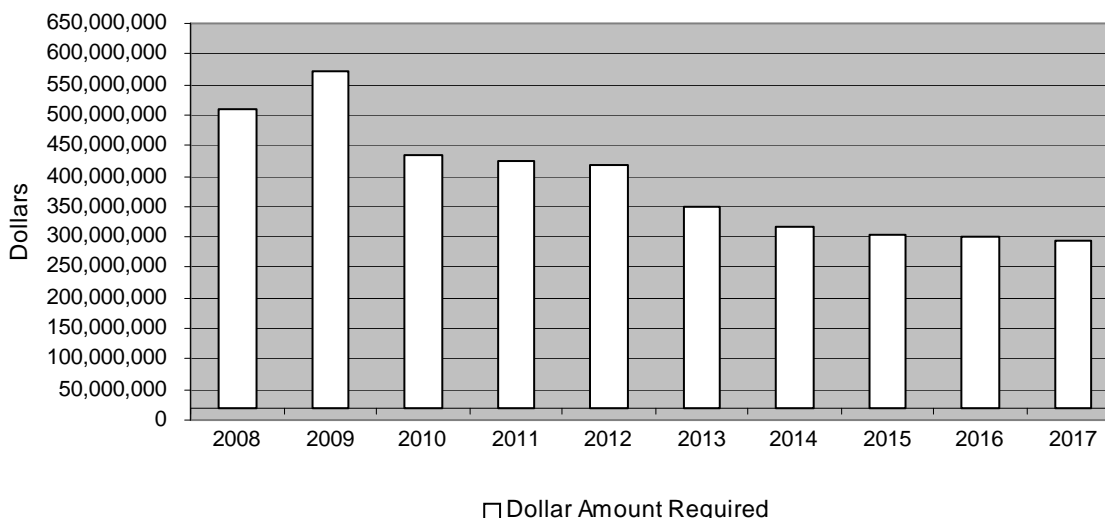
Year Ending	Principal	Interest	Total
September 30, 2008	\$ 276,387,723	\$ 234,130,729	\$ 510,518,452
2009	353,641,474	217,828,380	571,469,854
2010	231,465,834	202,563,152	434,028,986
2011	232,615,163	191,518,345	424,133,508
2012	236,230,993	180,281,519	416,512,512
2013-2017	1,181,646,543	715,892,546	1,897,539,089
2018-2022	971,282,000	421,400,922	1,392,682,922
2023-2027	499,305,000	237,191,662	736,496,662
2028-2032	282,355,000	280,658,476	563,013,476
2033-2037	367,979,000	67,197,617	435,176,617
2038-2042	99,275,000	16,518,500	115,793,500
2043-2047	1,705,000	271,000	1,976,000
2048-2052	255,000	9,000	264,000
Totals	<u>\$4,734,143,729</u>	<u>\$2,765,461,847</u>	<u>\$7,499,605,576</u>

Gross Principal:	\$4,734,143,729
Unamortized Premium – General Obligation Bonds	16,548,940
Unamortized Premium – Corrections Institution Finance Authority	350,225
Unamortized Loss – Corrections Institution Finance Authority	(150,621)
Unamortized Discount – Public Health Care Authority	(512,907)
Unamortized Bond Issuance Costs – Public Health Care Authority	(347,143)
Unamortized Loss – Public Health Care Authority	(951,404)
Unamortized Premium – Federal Aid Highway Finance Authority	2,023,481
Unamortized Premium – Montgomery Downtown Redevelopment Authority	1,893,053
Unamortized Loss – Montgomery Downtown Redevelopment Authority	(1,115,953)
Unamortized Discount – Building Renovation Finance Authority	(35,758)
Unamortized Loss – Building Renovation Finance Authority	(394,017)
Unamortized Premium – Building Renovation Finance Authority	287,164
Unamortized Premium – State Port Authority	5,138,735
Unamortized Refunding Costs – State Port Authority	(10,087,405)
Unamortized Premium – Public School and College Authority	8,894,326
Unamortized Discount – State Industrial Development Authority	(30,000)
Unamortized Premium – Mental Health Finance Authority	646,434
Unamortized Loss on Refunding – Mental Health Finance Authority	(400,774)
Unamortized Discount – Tennessee Valley Exhibit Commission	(24,135)
Unamortized Loss – Tennessee Valley Exhibit Commission	(19,040)
Unamortized Premium – 21st Century Authority	1,403,109
Unamortized Premium – Alabama Water Pollution Control Authority	816,383
Unamortized Refunding Costs – Alabama Water Pollution Control Authority	(6,150,900)
Unamortized Discount – Drinking Water Finance Authority	(965,935)
Unamortized Loss – Alabama Space Science Exhibit Finance Authority	(710,845)
Net Principal before Accretion	4,750,248,743
Plus Accretion	22,110,833
Grand Total Principal including Accretion	<u>\$4,772,359,576</u>

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## *Requirements to Amortize Bond Debt as of September 30, 2007 Totals for the Next 10 Years*

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This graph does not include amounts payable on the Alabama Housing Finance Authority Mortgage Revenue Bonds because amounts could not be presented in a format consistent with all other bonds. Those amounts attributable to the Alabama Housing Finance Authority are listed below:

Year Ending	Alabama Housing Finance Authority		Total
	Principal	Interest	
2008	\$ 59,183,000	\$ 41,564,000	\$ 100,747,000
2009	140,028,000	41,750,000	181,778,000
2010	26,326,000	7,502,000	63,828,000
2011	20,789,000	36,324,000	57,113,000
2012	16,122,000	35,423,000	51,545,000
2013-2017	62,324,000	167,973,000	230,297,000
2018-2022	80,107,000	150,319,000	230,426,000
2023-2027	110,495,000	125,416,000	235,911,000
2028-2032	140,745,000	93,339,000	234,084,000
2033-2037	279,649,000	42,806,000	322,455,000
2038-2042	24,275,000	1,331,000	25,606,000
2043-2047	1,705,000	271,000	1,976,000
2048-2052	255,000	9,000	264,000
Total	\$962,003,000	\$774,027,000	\$1,736,030,000

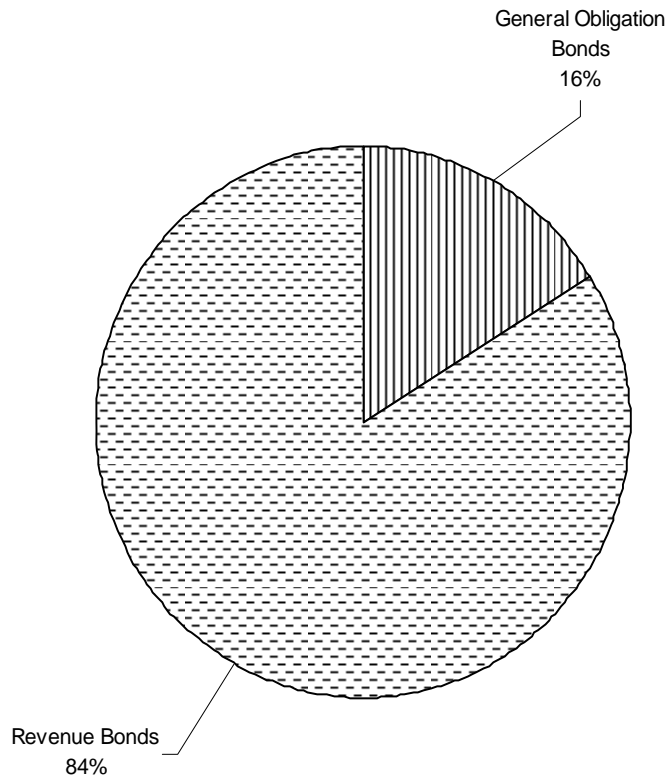
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## *Percentage of Bond Obligations to Total*

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BOND OBLIGATIONS  
SEPTEMBER 30, 2007

General Obligation Bonds	\$ 773,252,940
Revenue Bonds	3,999,106,635
Total Bond Obligations	<u>\$4,772,359,576</u>



# General Obligation Payment Schedule

## As of the Year Ended September 30, 2007

Year Ending	Total - General Obligation Bonds		
	Principal	Interest	Total
September 30, 2008	\$ 45,087,800.00	\$ 40,991,071.25	\$ 86,078,871.25
2009	32,925,000.00	32,952,686.25	65,877,686.25
2010	34,315,000.00	31,471,948.75	65,786,948.75
2011	33,780,000.00	29,952,651.25	63,732,651.25
2012	35,155,000.00	28,474,938.75	63,629,938.75
2013	36,625,000.00	26,997,148.75	63,622,148.75
2014	38,170,000.00	25,284,128.75	63,454,128.75
2015	39,825,000.00	23,387,278.75	63,212,278.75
2016	41,590,000.00	21,406,016.25	62,996,016.25
2017	43,500,000.00	19,374,686.25	62,874,686.25
2018	45,555,000.00	17,270,930.00	62,825,930.00
2019	47,730,000.00	15,064,295.00	62,794,295.00
2020	49,995,000.00	12,764,145.00	62,759,145.00
2021	52,375,000.00	10,340,437.50	62,715,437.50
2022	32,345,000.00	7,793,481.25	40,138,481.25
2023	29,725,000.00	6,218,706.25	35,943,706.25
2024	31,120,000.00	4,803,731.25	35,923,731.25
2025	32,590,000.00	3,337,781.25	35,927,781.25
2026	25,975,000.00	1,944,737.50	27,919,737.50
2027	22,185,000.00	776,475.00	22,961,475.00
Roll-Up Total	<u>\$750,567,800.00</u>	<u>\$360,607,275.00</u>	<u>\$1,111,175,075.00</u>
Beginning Unamortized Premium	\$ 16,966,444.06		
Amortization	(417,503.69)		
Ending Unamortized Premium	<u>16,548,940.37</u>		
Roll-Up Total	750,567,800.00		
Plus Unamortized Premium	16,548,940.37		
Plus Accretion - 1999-A	6,136,200.00		
Grand Total	<u>\$773,252,940.37</u>		
All general obligation debt service is paid from the Education Trust Fund, the Public Road and Bridge Fund, or the Alabama Capital Improvement Trust Fund.			

Year Ending	General Obligation Refunding, Series 1999-A - Capital Appreciation Paid from the General Fund, Education Trust Fund, and the Road and Bridge Fund		
	Principal	Interest	Total
September 30, 2008	\$13,377,800.00	\$6,622,200.00	\$20,000,000.00
Total	<u>\$13,377,800.00</u>	<u>\$6,622,200.00</u>	<u>\$20,000,000.00</u>
Total	\$13,377,800.00		
Plus Accretion	6,136,200.00		
Grand Total	<u>\$19,514,000.00</u>		

# General Obligation Payment Schedule

## As of the Year Ended September 30, 2007

Year Ending	General Obligation Refunding, Series 1999-B		
	Principal	Interest	Total
September 30, 2008	\$1,585,000.00	\$205,490.00	\$1,790,490.00
2009	1,655,000.00	130,142.50	1,785,142.50
2010	1,825,000.00	45,625.00	1,870,625.00
Total	\$5,065,000.00	\$381,257.50	\$5,446,257.50

Year Ending	General Obligation, Series 2001-A (Agricultural Experiment Station)		
	Principal	Interest	Total
September 30, 2008	\$ 2,395,000.00	\$ 2,253,475.00	\$ 4,648,475.00
2009	2,495,000.00	2,133,725.00	4,628,725.00
2010	2,595,000.00	2,008,975.00	4,603,975.00
2011	2,705,000.00	1,872,737.50	4,577,737.50
2012	2,820,000.00	1,744,250.00	4,564,250.00
2013	2,945,000.00	1,603,250.00	4,548,250.00
2014	3,080,000.00	1,456,000.00	4,536,000.00
2015	3,220,000.00	1,302,000.00	4,522,000.00
2016	3,370,000.00	1,141,000.00	4,511,000.00
2017	3,530,000.00	972,500.00	4,502,500.00
2018	3,700,000.00	796,000.00	4,496,000.00
2019	3,880,000.00	611,000.00	4,491,000.00
2020	4,070,000.00	417,000.00	4,487,000.00
2021	4,270,000.00	213,500.00	4,483,500.00
Total	\$45,075,000.00	\$18,525,412.50	\$63,600,412.50

Year Ending	General Obligation, Series 2001-B (Forensic Sciences)		
	Principal	Interest	Total
September 30, 2008	\$ 710,000.00	\$ 647,870.00	\$ 1,357,870.00
2009	745,000.00	619,470.00	1,364,470.00
2010	780,000.00	588,925.00	1,368,925.00
2011	820,000.00	556,165.00	1,376,165.00
2012	860,000.00	521,315.00	1,381,315.00
2013	905,000.00	483,475.00	1,388,475.00
2014	950,000.00	442,750.00	1,392,750.00
2015	995,000.00	399,050.00	1,394,050.00
2016	1,045,000.00	352,285.00	1,397,285.00
2017	1,100,000.00	302,125.00	1,402,125.00
2018	1,155,000.00	248,500.00	1,403,500.00
2019	1,210,000.00	190,750.00	1,400,750.00
2020	1,270,000.00	130,250.00	1,400,250.00
2021	1,335,000.00	66,750.00	1,401,750.00
Total	\$13,880,000.00	\$5,549,680.00	\$19,429,680.00

# General Obligation Payment Schedule

## As of the Year Ended September 30, 2007

Year Ending	General Obligation, Series 2001-C State Parks System Improvement Corporation		
	Principal	Interest	Total
September 30, 2008	\$ 4,200,000.00	\$ 4,311,871.25	\$ 8,511,871.25
2009	4,410,000.00	4,091,371.25	8,501,371.25
2010	4,630,000.00	3,859,846.25	8,489,846.25
2011	4,865,000.00	3,605,196.25	8,470,196.25
2012	5,105,000.00	3,337,621.25	8,442,621.25
2013	5,375,000.00	3,069,608.75	8,444,608.75
2014	5,655,000.00	2,787,421.25	8,442,421.25
2015	5,955,000.00	2,490,533.75	8,445,533.75
2016	6,265,000.00	2,177,896.25	8,442,896.25
2017	6,595,000.00	1,861,513.75	8,456,513.75
2018	6,940,000.00	1,523,520.00	8,463,520.00
2019	7,305,000.00	1,166,110.00	8,471,110.00
2020	7,670,000.00	786,250.00	8,456,250.00
2021	8,055,000.00	402,750.00	8,457,750.00
Total	\$83,025,000.00	\$35,471,510.00	\$118,496,510.00

Year Ending	General Obligation, Series 2001-D Historical Sites and Park Improvement Corporation		
	Principal	Interest	Total
September 30, 2008	\$ 245,000.00	\$ 230,980.00	\$ 475,980.00
2009	255,000.00	219,342.50	474,342.50
2010	265,000.00	207,867.50	472,867.50
2011	280,000.00	195,942.50	475,942.50
2012	295,000.00	183,342.50	478,342.50
2013	310,000.00	170,067.50	480,067.50
2014	325,000.00	155,497.50	480,497.50
2015	345,000.00	140,060.00	485,060.00
2016	360,000.00	123,500.00	483,500.00
2017	380,000.00	105,500.00	485,500.00
2018	400,000.00	86,500.00	486,500.00
2019	420,000.00	66,500.00	486,500.00
2020	445,000.00	45,500.00	490,500.00
2021	465,000.00	23,250.00	488,250.00
Total	\$4,790,000.00	\$1,953,850.00	\$6,743,850.00

# General Obligation Payment Schedule

## As of the Year Ended September 30, 2007

Year Ending	General Obligation, Series 2001-E		
	Principal	Interest	Total
September 30, 2008	\$ 4,205,000.00	\$ 3,487,337.50	\$ 7,692,337.50
2009	4,360,000.00	3,319,137.50	7,679,137.50
2010	4,530,000.00	3,144,737.50	7,674,737.50
2011	4,705,000.00	2,963,537.50	7,668,537.50
2012	4,900,000.00	2,775,337.50	7,675,337.50
2013	5,100,000.00	2,579,337.50	7,679,337.50
2014	5,320,000.00	2,375,337.50	7,695,337.50
2015	5,555,000.00	2,109,337.50	7,664,337.50
2016	5,810,000.00	1,831,587.50	7,641,587.50
2017	6,080,000.00	1,541,087.50	7,621,087.50
2018	6,365,000.00	1,267,487.50	7,632,487.50
2019	6,670,000.00	981,062.50	7,651,062.50
2020	6,995,000.00	680,912.50	7,675,912.50
2021	7,340,000.00	348,650.00	7,688,650.00
Total	<u>\$77,935,000.00</u>	<u>\$29,404,887.50</u>	<u>\$107,339,887.50</u>
Beginning Unamortized Premium	\$ 744,736.47		
Amortization	(49,649.10)		
Ending Unamortized Premium	<u>\$ 695,087.37</u>		

Year Ending	General Obligation, Series 2002-A		
	Principal	Interest	Total
September 30, 2008	\$ 2,215,000.00	\$ 1,925,360.00	\$ 4,140,360.00
2009	2,305,000.00	1,836,760.00	4,141,760.00
2010	2,400,000.00	1,744,560.00	4,144,560.00
2011	2,495,000.00	1,648,560.00	4,143,560.00
2012	2,595,000.00	1,548,760.00	4,143,760.00
2013	2,700,000.00	1,444,960.00	4,144,960.00
2014	2,805,000.00	1,336,960.00	4,141,960.00
2015	2,920,000.00	1,224,760.00	4,144,760.00
2016	3,035,000.00	1,107,960.00	4,142,960.00
2017	3,155,000.00	986,560.00	4,141,560.00
2018	3,315,000.00	828,810.00	4,143,810.00
2019	3,480,000.00	663,060.00	4,143,060.00
2020	3,630,000.00	513,420.00	4,143,420.00
2021	3,790,000.00	353,700.00	4,143,700.00
2022	3,960,000.00	183,150.00	4,143,150.00
Total	<u>\$44,800,000.00</u>	<u>\$17,347,340.00</u>	<u>\$62,147,340.00</u>
Beginning Unamortized Premium	\$ 824,009.39		
Amortization	(51,500.59)		
Ending Unamortized Premium	<u>\$ 772,508.80</u>		

# General Obligation Payment Schedule

## As of the Year Ended September 30, 2007

Year Ending	General Obligation, Series 2005-A		
	Principal	Interest	Total
September 30, 2008	\$ 3,840,000.00	\$ 4,056,412.50	\$ 7,896,412.50
2009	3,925,000.00	3,939,937.50	7,864,937.50
2010	4,030,000.00	3,820,612.50	7,850,612.50
2011	4,145,000.00	3,697,987.50	7,842,987.50
2012	4,280,000.00	3,560,912.50	7,840,912.50
2013	4,420,000.00	3,416,950.00	7,836,950.00
2014	4,570,000.00	3,233,637.50	7,803,637.50
2015	4,735,000.00	3,001,012.50	7,736,012.50
2016	4,940,000.00	2,759,137.50	7,699,137.50
2017	5,195,000.00	2,518,750.00	7,713,750.00
2018	5,460,000.00	2,279,012.50	7,739,012.50
2019	5,740,000.00	2,027,012.50	7,767,012.50
2020	6,035,000.00	1,762,075.00	7,797,075.00
2021	6,345,000.00	1,483,525.00	7,828,525.00
2022	6,670,000.00	1,186,518.75	7,856,518.75
2023	7,015,000.00	865,668.75	7,880,668.75
2024	7,375,000.00	523,906.25	7,898,906.25
2025	7,750,000.00	174,375.00	7,924,375.00
Total	<u>\$96,470,000.00</u>	<u>\$44,307,443.75</u>	<u>\$140,777,443.75</u>
Beginning Unamortized Premium	\$ 4,979,554.20		
Amortization	(262,081.80)		
Ending Unamortized Premium	<u>\$ 4,717,472.40</u>		

Year Ending	General Obligation, Series 2006		
	Principal	Interest	Total
September 30, 2008	\$ 2,180,000.00	\$ 2,602,612.50	\$ 4,782,612.50
2009	2,260,000.00	2,522,087.50	4,782,087.50
2010	2,340,000.00	2,435,837.50	4,775,837.50
2011	2,420,000.00	2,343,562.50	4,763,562.50
2012	2,510,000.00	2,244,962.50	4,754,962.50
2013	2,605,000.00	2,142,662.50	4,747,662.50
2014	2,705,000.00	2,022,937.50	4,727,937.50
2015	2,815,000.00	1,884,937.50	4,699,937.50
2016	2,930,000.00	1,741,312.50	4,671,312.50
2017	3,050,000.00	1,607,062.50	4,657,062.50
2018	3,190,000.00	1,482,262.50	4,672,262.50
2019	3,350,000.00	1,351,462.50	4,701,462.50
2020	3,525,000.00	1,205,150.00	4,730,150.00
2021	3,705,000.00	1,042,475.00	4,747,475.00
2022	3,895,000.00	871,475.00	4,766,475.00
2023	4,095,000.00	691,700.00	4,786,700.00
2024	4,305,000.00	502,700.00	4,807,700.00
2025	4,525,000.00	309,681.25	4,834,681.25
2026	4,745,000.00	106,762.50	4,851,762.50
Total	<u>\$61,150,000.00</u>	<u>\$29,111,643.75</u>	<u>\$90,261,643.75</u>
Beginning Unamortized Premium	\$ 1,085,444.00		
Amortization	(54,272.20)		
Ending Unamortized Premium	<u>\$ 1,031,171.80</u>		

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***General Obligation Payment Schedule***  
***As of the Year Ended September 30, 2007***

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Year Ending	General Obligation, Series 2007-A		
	Principal	Interest	Total
September 30, 2008	\$ 10,135,000.00	\$ 14,647,462.50	\$ 24,782,462.50
2009	10,515,000.00	14,140,712.50	24,655,712.50
2010	10,920,000.00	13,614,962.50	24,534,962.50
2011	11,345,000.00	13,068,962.50	24,413,962.50
2012	11,790,000.00	12,558,437.50	24,348,437.50
2013	12,265,000.00	12,086,837.50	24,351,837.50
2014	12,760,000.00	11,473,587.50	24,233,587.50
2015	13,285,000.00	10,835,587.50	24,120,587.50
2016	13,835,000.00	10,171,337.50	24,006,337.50
2017	14,415,000.00	9,479,587.50	23,894,587.50
2018	15,030,000.00	8,758,837.50	23,788,837.50
2019	15,675,000.00	8,007,337.50	23,682,337.50
2020	16,355,000.00	7,223,587.50	23,578,587.50
2021	17,070,000.00	6,405,837.50	23,475,837.50
2022	17,820,000.00	5,552,337.50	23,372,337.50
2023	18,615,000.00	4,661,337.50	23,276,337.50
2024	19,440,000.00	3,777,125.00	23,217,125.00
2025	20,315,000.00	2,853,725.00	23,168,725.00
2026	21,230,000.00	1,837,975.00	23,067,975.00
2027	22,185,000.00	776,475.00	22,961,475.00
Total	<u>\$305,000,000.00</u>	<u>\$171,932,050.00</u>	<u>\$476,932,050.00</u>
Beginning Unamortized Premium	\$ 9,332,700.00		
Amortization			
Ending Unamortized Premium	<u>\$ 9,332,700.00</u>		

***Alabama Public School and College  
Authority Payment Schedule  
As of the Year Ended September 30, 2007***

Year Ending	Public School and College Authority - Total Bonds		
	Principal	Interest	Total
September 30, 2008	\$ 91,215,000.00	\$ 69,304,457.50	\$ 160,519,457.50
2009	96,135,000.00	64,427,298.75	160,562,298.75
2010	87,750,000.00	58,739,273.75	146,489,273.75
2011	92,260,000.00	54,199,242.50	146,459,242.50
2012	97,180,000.00	49,393,380.00	146,573,380.00
2013	102,170,000.00	44,316,786.25	146,486,786.25
2014	88,545,000.00	38,897,336.25	127,442,336.25
2015	93,185,000.00	34,103,723.76	127,288,723.76
2016	98,030,000.00	29,088,423.75	127,118,423.75
2017	105,210,000.00	23,765,551.88	128,975,551.88
2018	110,525,000.00	18,299,630.00	128,824,630.00
2019	115,890,000.00	12,708,570.63	128,598,570.63
2020	34,160,000.00	7,609,595.63	41,769,595.63
2021	35,465,000.00	5,973,581.25	41,438,581.25
2022	29,300,000.00	4,427,755.00	33,727,755.00
2023	21,845,000.00	3,225,183.75	25,070,183.75
2024	22,530,000.00	2,217,970.00	24,747,970.00
2025	13,540,000.00	1,391,250.00	14,931,250.00
2026	7,730,000.00	897,206.25	8,627,206.25
2027	3,965,000.00	612,625.00	4,577,625.00
2028	4,175,000.00	401,625.00	4,576,625.00
2029	4,400,000.00	179,300.00	4,579,300.00
Roll-Up Total	<u>\$1,355,205,000.00</u>	<u>\$524,179,766.88</u>	<u>\$1,879,384,766.88</u>
Beginning Unamortized Premium	\$ 9,574,831.97		
Amortization	(680,505.85)		
Ending Unamortized Premium	<u>8,894,326.12</u>		
Roll-Up Total	1,355,205,000.00		
Plus Unamortized Premium	<u>8,894,326.12</u>		
Grand Total	<u>\$1,364,099,326.12</u>		

Year Ending	Public School and College Authority - Series 1996 Capital Improvement Bonds		
	Principal	Interest	Total
September 30, 2008	\$31,130,000.00	\$758,793.75	\$31,888,793.75
Total	<u>\$31,130,000.00</u>	<u>\$758,793.75</u>	<u>\$31,888,793.75</u>

***Alabama Public School and College  
Authority Payment Schedule  
As of the Year Ended September 30, 2007***

Year Ending	Public School and College Authority - Series 1998 Capital Improvement Bonds		
	Principal	Interest	Total
September 30, 2008	\$	\$ 14,767,925.00	\$ 14,767,925.00
2009	21,090,000.00	14,240,675.00	35,330,675.00
2010	22,360,000.00	13,140,450.00	35,500,450.00
2011	23,530,000.00	11,964,518.75	35,494,518.75
2012	24,735,000.00	10,712,268.75	35,447,268.75
2013	25,975,000.00	9,413,600.00	35,388,600.00
2014	27,140,000.00	8,068,762.50	35,208,762.50
2015	28,365,000.00	6,646,446.88	35,011,446.88
2016	29,640,000.00	5,160,068.75	34,800,068.75
2017	30,975,000.00	3,606,809.38	34,581,809.38
2018	32,365,000.00	2,125,318.75	34,490,318.75
2019	33,825,000.00	718,781.25	34,543,781.25
Total	\$300,000,000.00	\$100,565,625.00	\$400,565,625.00

Year Ending	Public School and College Authority - Series 1999-A Tax-Exempt Special Obligation Bonds		
	Principal	Interest	Total
September 30, 2008	\$	\$ 1,009,800.00	\$ 1,009,800.00
2009		1,009,800.00	1,009,800.00
2010		1,009,800.00	1,009,800.00
2011		1,009,800.00	1,009,800.00
2012		1,009,800.00	1,009,800.00
2013		1,009,800.00	1,009,800.00
2014		1,009,800.00	1,009,800.00
2015		1,009,800.00	1,009,800.00
2016		1,009,800.00	1,009,800.00
2017		1,009,800.00	1,009,800.00
2018		1,009,800.00	1,009,800.00
2019		1,009,800.00	1,009,800.00
2020	1,425,000.00	1,009,800.00	2,434,800.00
2021	1,505,000.00	931,425.00	2,436,425.00
2022	1,585,000.00	848,650.00	2,433,650.00
2023	1,675,000.00	761,475.00	2,436,475.00
2024	1,765,000.00	669,350.00	2,434,350.00
2025	1,865,000.00	572,275.00	2,437,275.00
2026	1,965,000.00	469,700.00	2,434,700.00
2027	2,075,000.00	361,625.00	2,436,625.00
2028	2,190,000.00	247,500.00	2,437,500.00
2029	2,310,000.00	127,050.00	2,437,050.00
Total	\$18,360,000.00	\$18,116,450.00	\$36,476,450.00



***Alabama Public School and College  
Authority Payment Schedule  
As of the Year Ended September 30, 2007***

Year Ending	Public School and College Authority - Series 1999-B Taxable Special Obligation Bonds		
	Principal	Interest	Total
September 30, 2008	\$28,640,000.00	\$5,036,440.00	\$33,676,440.00
2009	42,000,000.00	3,003,000.00	45,003,000.00
Total	\$70,640,000.00	\$8,039,440.00	\$78,679,440.00

Year Ending	Public School and College Authority - Series 1999-C Capital Improvement Bonds		
	Principal	Interest	Total
September 30, 2008	\$	\$ 14,050,500.00	\$ 14,050,500.00
2009		14,050,500.00	14,050,500.00
2010	18,800,000.00	14,050,500.00	32,850,500.00
2011	19,900,000.00	13,016,500.00	32,916,500.00
2012	21,100,000.00	11,922,000.00	33,022,000.00
2013	22,300,000.00	10,735,125.00	33,035,125.00
2014	23,800,000.00	9,480,750.00	33,280,750.00
2015	25,400,000.00	8,142,000.00	33,542,000.00
2016	27,100,000.00	6,745,000.00	33,845,000.00
2017	28,900,000.00	5,186,750.00	34,086,750.00
2018	30,600,000.00	3,525,000.00	34,125,000.00
2019	32,100,000.00	1,765,500.00	33,865,500.00
Total	\$250,000,000.00	\$112,670,125.00	\$362,670,125.00

Year Ending	Public School and College Authority - Series 1999-D Capital Improvement Pool Bonds		
	Principal	Interest	Total
September 30, 2008	\$ 10,480,000.00	\$ 9,823,062.50	\$ 20,303,062.50
2009	11,030,000.00	9,272,862.50	20,302,862.50
2010	11,580,000.00	8,721,362.50	20,301,362.50
2011	12,245,000.00	8,055,512.50	20,300,512.50
2012	12,950,000.00	7,351,425.00	20,301,425.00
2013	13,695,000.00	6,606,800.00	20,301,800.00
2014	14,480,000.00	5,819,337.50	20,299,337.50
2015	15,350,000.00	4,950,537.50	20,300,537.50
2016	16,270,000.00	4,029,537.50	20,299,537.50
2017	17,205,000.00	3,094,012.50	20,299,012.50
2018	18,195,000.00	2,104,725.00	20,299,725.00
2019	19,200,000.00	1,104,000.00	20,304,000.00
Total	\$172,680,000.00	\$70,933,175.00	\$243,613,175.00

***Alabama Public School and College  
Authority Payment Schedule  
As of the Year Ended September 30, 2007***

Public School and College Authority - Series 2001-A Capital Improvement Pool Bonds			
Year Ending	Principal	Interest	Total
September 30, 2008	\$ 3,715,000.00	\$ 3,733,768.75	\$ 7,448,768.75
2009	3,900,000.00	3,543,393.75	7,443,393.75
2010	4,095,000.00	3,343,518.75	7,438,518.75
2011	4,300,000.00	3,133,643.75	7,433,643.75
2012	4,515,000.00	2,913,268.75	7,428,268.75
2013	4,740,000.00	2,681,893.75	7,421,893.75
2014	4,980,000.00	2,426,443.75	7,406,443.75
2015	5,255,000.00	2,141,696.88	7,396,696.88
2016	5,550,000.00	1,841,275.00	7,391,275.00
2017	5,855,000.00	1,527,637.50	7,382,637.50
2018	6,175,000.00	1,196,812.50	7,371,812.50
2019	6,515,000.00	864,125.00	7,379,125.00
2020	6,840,000.00	530,250.00	7,370,250.00
2021	7,185,000.00	179,625.00	7,364,625.00
Total	<u>\$73,620,000.00</u>	<u>\$30,057,353.13</u>	<u>\$103,677,353.13</u>

Public School and College Authority - Series 2001-B Taxable Special Obligation Bonds			
Year Ending	Principal	Interest	Total
September 30, 2008	\$5,620,000.00	\$316,125.00	\$5,936,125.00
Total	<u>\$5,620,000.00</u>	<u>\$316,125.00</u>	<u>\$5,936,125.00</u>
Beginning Unamortized Premium	\$ 142,299.67		
Amortization	(71,149.83)		
Ending Unamortized Premium	<u>\$ 71,149.84</u>		

Public School and College Authority - Series 2001-C Tax-Exempt Special Obligation Bonds			
Year Ending	Principal	Interest	Total
September 30, 2008	\$ 1,470,000.00	\$ 4,143,137.50	\$ 5,613,137.50
2009	7,500,000.00	4,082,500.00	11,582,500.00
2010	17,650,000.00	3,745,000.00	21,395,000.00
2011	18,325,000.00	2,862,500.00	21,187,500.00
2012	19,025,000.00	1,946,250.00	20,971,250.00
2013	19,900,000.00	995,000.00	20,895,000.00
Total	<u>\$83,870,000.00</u>	<u>\$17,774,387.50</u>	<u>\$101,644,387.50</u>
Beginning Unamortized Premium	\$ 753,564.75		
Amortization	(107,652.10)		
Ending Unamortized Premium	<u>\$ 645,912.65</u>		

***Alabama Public School and College  
Authority Payment Schedule  
As of the Year Ended September 30, 2007***

Public School and College Authority - Series 2002-A Capital Improvement Pool Bonds			
Year Ending	Principal	Interest	Total
September 30, 2008	\$ 4,040,000.00	\$ 4,300,750.00	\$ 8,340,750.00
2009	4,245,000.00	4,093,625.00	8,338,625.00
2010	4,465,000.00	3,875,875.00	8,340,875.00
2011	4,695,000.00	3,646,875.00	8,341,875.00
2012	4,935,000.00	3,406,125.00	8,341,125.00
2013	5,190,000.00	3,153,000.00	8,343,000.00
2014	5,455,000.00	2,886,875.00	8,341,875.00
2015	5,735,000.00	2,607,125.00	8,342,125.00
2016	6,030,000.00	2,313,000.00	8,343,000.00
2017	6,335,000.00	2,003,875.00	8,338,875.00
2018	6,660,000.00	1,679,000.00	8,339,000.00
2019	7,005,000.00	1,337,375.00	8,342,375.00
2020	7,365,000.00	978,125.00	8,343,125.00
2021	7,740,000.00	600,500.00	8,340,500.00
2022	8,140,000.00	203,500.00	8,343,500.00
Total	<u>\$88,035,000.00</u>	<u>\$37,085,625.00</u>	<u>\$125,120,625.00</u>
Beginning Unamortized Premium	\$ 4,426,601.92		
Amortization	(276,662.62)		
Ending Unamortized Premium	<u>\$ 4,149,939.30</u>		

***Alabama Public School and College  
Authority Payment Schedule  
As of the Year Ended September 30, 2007***

Public School and College Authority - Series 2002-B Economic Development and Training Bonds			
Year Ending	Principal	Interest	Total
September 30, 2008	\$	\$ 1,328,187.50	\$ 1,328,187.50
2009		1,328,187.50	1,328,187.50
2010	905,000.00	1,310,087.50	2,215,087.50
2011	940,000.00	1,273,187.50	2,213,187.50
2012	970,000.00	1,234,987.50	2,204,987.50
2013	1,005,000.00	1,195,487.50	2,200,487.50
2014	1,045,000.00	1,149,262.50	2,194,262.50
2015	1,090,000.00	1,101,337.50	2,191,337.50
2016	1,135,000.00	1,051,162.50	2,186,162.50
2017	1,185,000.00	993,162.50	2,178,162.50
2018	1,235,000.00	932,662.50	2,167,662.50
2019	1,290,000.00	869,537.50	2,159,537.50
2020	1,350,000.00	803,537.50	2,153,537.50
2021	1,415,000.00	734,412.50	2,149,412.50
2022	1,480,000.00	662,037.50	2,142,037.50
2023	1,555,000.00	588,106.25	2,143,106.25
2024	1,630,000.00	512,462.50	2,142,462.50
2025	1,710,000.00	431,000.00	2,141,000.00
2026	1,800,000.00	343,250.00	2,143,250.00
2027	1,890,000.00	251,000.00	2,141,000.00
2028	1,985,000.00	154,125.00	2,139,125.00
2029	2,090,000.00	52,250.00	2,142,250.00
Total	<u>\$27,705,000.00</u>	<u>\$18,299,431.25</u>	<u>\$46,004,431.25</u>
Beginning Unamortized Premium	\$ 341,169.85		
Amortization	(14,834.00)		
Ending Unamortized Premium	<u>\$ 326,335.85</u>		

***Alabama Public School and College  
Authority Payment Schedule  
As of the Year Ended September 30, 2007***

Public School and College Authority - Capital Improvement and Economic Development and Training 2003			
Year Ending	Principal	Interest	Total
September 30, 2008	\$ 1,305,000.00	\$ 4,497,262.50	\$ 5,802,262.50
2009	1,360,000.00	4,460,550.00	5,820,550.00
2010	2,680,000.00	4,404,975.00	7,084,975.00
2011	2,905,000.00	4,311,700.00	7,216,700.00
2012	3,290,000.00	4,204,250.00	7,494,250.00
2013	3,455,000.00	4,085,800.00	7,540,800.00
2014	5,470,000.00	3,879,950.00	9,349,950.00
2015	5,540,000.00	3,604,700.00	9,144,700.00
2016	5,565,000.00	3,327,075.00	8,892,075.00
2017	7,715,000.00	3,033,650.00	10,748,650.00
2018	7,950,000.00	2,720,350.00	10,670,350.00
2019	8,290,000.00	2,354,100.00	10,644,100.00
2020	9,175,000.00	1,940,412.50	11,115,412.50
2021	9,270,000.00	1,525,400.00	10,795,400.00
2022	9,375,000.00	1,082,450.00	10,457,450.00
2023	9,500,000.00	640,262.50	10,140,262.50
2024	9,610,000.00	216,225.00	9,826,225.00
Total	<u>\$102,455,000.00</u>	<u>\$50,289,112.50</u>	<u>\$152,744,112.50</u>
Beginning Unamortized Premium	\$ 2,466,284.91		
Amortization	<u>(137,015.83)</u>		
Ending Unamortized Premium	<u>\$ 2,329,269.08</u>		

***Alabama Public School and College  
Authority Payment Schedule  
As of the Year Ended September 30, 2007***

Public School and College Authority – Capital Improvement Pool 2005			
Year Ending	Principal	Interest	Total
September 30, 2008	\$ 3,050,000.00	\$ 3,253,862.50	\$ 6,303,862.50
2009	3,175,000.00	3,129,362.50	6,304,362.50
2010	3,305,000.00	2,999,762.50	6,304,762.50
2011	3,435,000.00	2,864,962.50	6,299,962.50
2012	3,580,000.00	2,724,662.50	6,304,662.50
2013	3,725,000.00	2,578,562.50	6,303,562.50
2014	3,875,000.00	2,426,562.50	6,301,562.50
2015	4,035,000.00	2,268,362.50	6,303,362.50
2016	4,200,000.00	2,103,662.50	6,303,662.50
2017	4,370,000.00	1,932,262.50	6,302,262.50
2018	4,550,000.00	1,751,018.75	6,301,018.75
2019	4,745,000.00	1,559,309.38	6,304,309.38
2020	4,945,000.00	1,359,453.13	6,304,453.13
2021	5,155,000.00	1,147,918.75	6,302,918.75
2022	5,385,000.00	917,212.50	6,302,212.50
2023	5,635,000.00	669,262.50	6,304,262.50
2024	5,890,000.00	409,950.00	6,299,950.00
2025	6,165,000.00	138,712.50	6,303,712.50
Total	<u>\$79,220,000.00</u>	<u>\$34,234,862.50</u>	<u>\$113,454,862.50</u>
Beginning Unamortized Premium	\$ 354,156.20		
Amortization	<u>(18,639.80)</u>		
Ending Unamortized Premium	<u>\$ 335,516.40</u>		

***Alabama Public School and College  
Authority Payment Schedule  
As of the Year Ended September 30, 2007***

Year Ending	Public School and College Authority - Capital Improvement 2006		
	Principal	Interest	Total
September 30, 2008	\$ 1,765,000.00	\$ 2,284,842.50	\$ 4,049,842.50
2009	1,835,000.00	2,212,842.50	4,047,842.50
2010	1,910,000.00	2,137,942.50	4,047,942.50
2011	1,985,000.00	2,060,042.50	4,045,042.50
2012	2,080,000.00	1,968,342.50	4,048,342.50
2013	2,185,000.00	1,861,717.50	4,046,717.50
2014	2,300,000.00	1,749,592.50	4,049,592.50
2015	2,415,000.00	1,631,717.50	4,046,717.50
2016	2,540,000.00	1,507,842.50	4,047,842.50
2017	2,670,000.00	1,377,592.50	4,047,592.50
2018	2,795,000.00	1,254,942.50	4,049,942.50
2019	2,920,000.00	1,126,042.50	4,046,042.50
2020	3,060,000.00	988,017.50	4,048,017.50
2021	3,195,000.00	854,300.00	4,049,300.00
2022	3,335,000.00	713,905.00	4,048,905.00
2023	3,480,000.00	566,077.50	4,046,077.50
2024	3,635,000.00	409,982.50	4,044,982.50
2025	3,800,000.00	249,262.50	4,049,262.50
2026	3,965,000.00	84,256.25	4,049,256.25
Total	<u>\$51,870,000.00</u>	<u>\$25,039,261.25</u>	<u>\$76,909,261.25</u>
Beginning Unamortized Premium	\$ 1,090,754.67		
Amortization	<u>(54,551.67)</u>		
Ending Unamortized Premium	<u>\$ 1,036,203.00</u>		

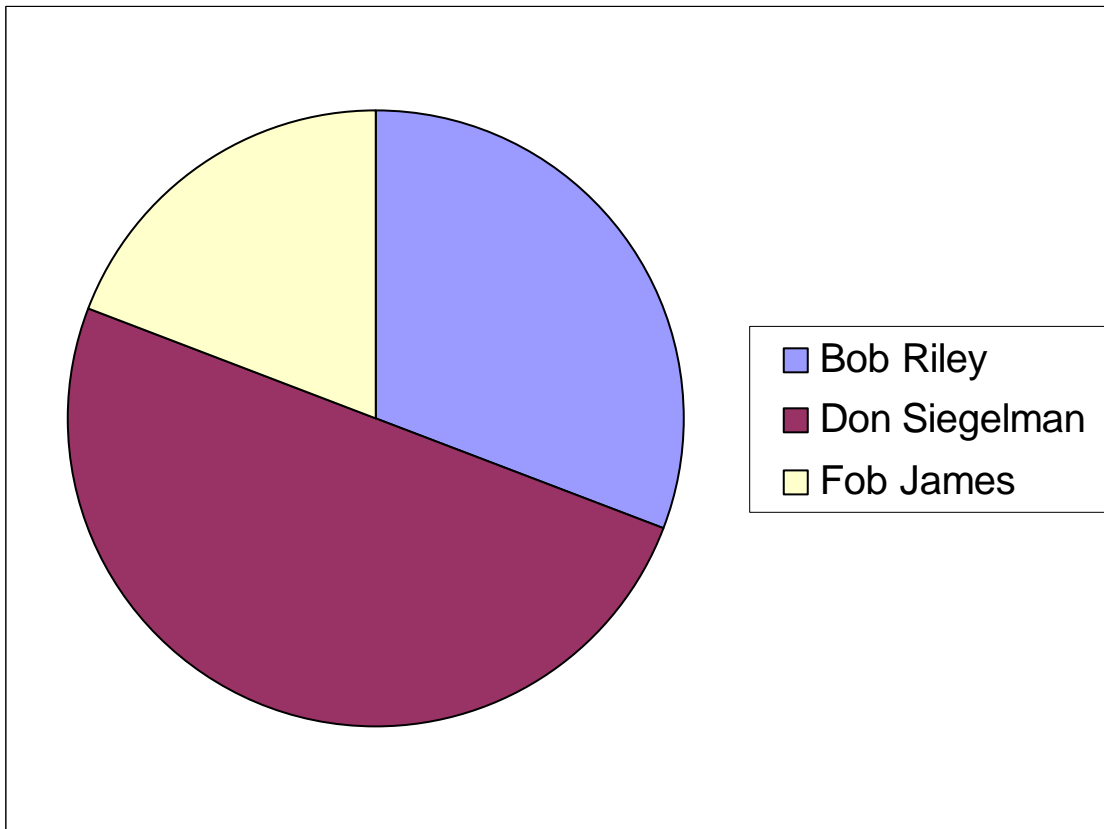
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## *Total Outstanding Bonds Issued by Governor Term*

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Bob Riley	\$1,410,910,000	31%
Don Siegelman	2,286,159,791	50%
Fob James	882,889,439	19%
Total Bond Obligations (*)	<u>\$4,579,959,230</u>	

(\*) - Amounts listed are the original bond issuance principal amounts for bond issues that were outstanding at September 30, 2007 (does not include Alabama Housing Finance Authority bonds).



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## *Additional Information*

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***Official***  
***October 1, 2006 through September 30, 2007***

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<b>Official</b>			<b>Term Expires</b>
Hon. Kay Ivey	State Treasurer	State Treasurer's Office Alabama State Capitol Montgomery, AL 36130	January 2011

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## ***Purposes of Bonds***

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### **GENERAL OBLIGATION BONDS**

#### **General Obligation Bonds, Series 2007-A**

Issue Date: August 1, 2007

Issued: \$305,000,000.00

Total Issuance Costs: \$955,287.53

% of Issuance Costs to Total Bonds Issued: 0.09%

#### **Sources of Funds:**

Principal Amount of Bonds	\$305,000,000.00
Original Issue Premium	9,775,663.10
Accrued Interest	244,124.38
Total Sources	<u>\$315,019,787.48</u>

#### **Uses of Funds:**

Deposit to Project Grant Fund	\$313,820,375.57
Deposit to Debt Service Fund	244,124.38
Underwriter's Discount and Premium for Municipal Bond Insurance Policy	687,087.53
Estimated Costs of Issuance	268,200.00
Total Uses	<u>\$315,019,787.48</u>

The 2007-A Bonds were issued for: (a) payment of costs and expenses incurred or to be incurred by the State in connection with economic development projects and the recruitment of industrial prospects to the State; and (b) payment of costs, expenses and fees in connection with the issuance of the bonds. The proceeds of the Bonds remaining after the payment of issuance expenses are expected to be used to make grants to pay a portion of the costs of various economic development projects located throughout the State.

Approximately \$220,000,000 of the proceeds of the Series 2007-A Bonds will be used to satisfy the State's commitment to ThyssenKrupp and Stainless USA, which is constructing a steel plant in Mobile; approximately \$40,000,000 is for National Alabama for construction and equipping a manufacturing plant; approximately \$20,000,000 is for Goodyear to assist with the purchase of manufacturing equipment; and approximately \$15,000,000 is for Hyundai Motor Manufacturing of Alabama for construction and equipping of its manufacturing plant. The remaining \$10,000,000 is split among several towns and small projects.

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## *Purposes of Bonds*

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### **Revenues Pledged for Payment**

Under the *Constitution of Alabama 1901* and laws of the State, the Series 2007-A Bonds shall be direct and general obligations of the State, and the full faith and credit of the State of Alabama are irrevocably pledged for the prompt and faithful payment of the principal of and interest on the bonds. Money can be taken from the Alabama Capital Improvement Trust Fund (this is Fund 1091), or the State General Fund, although neither Fund is specifically pledged for this debt (page 7 of the Official Statement). At elections held in the State on November 7, 2000, and June 5, 2007, the electorate of the State ratified the Authorizing Amendment. Pursuant to the Authorizing Amendment, twenty-eight (28%) percent of all Oil and Gas Royalty Payments are required to be deposited in the Alabama Capital Improvement Trust Fund, although these are not specifically pledged as security for the Bonds (pages 6-7 of the Official Statement).

### **Legal Authority:**

*Constitution of Alabama 1901*, Amendment Number 666, as amended by Amendment 796.

### **General Obligation Bonds, Series 2006**

Issue Date: February 1, 2006

Issued: \$61,150,000.00

Total Issuance Costs: \$146,830.00

% of Issuance Costs to Total Bonds Issued: 0.24%

#### Sources of Funds:

Principal Amount of Bonds	\$61,150,000.00
Original Issue Premium	1,104,416.00
Accrued Interest	154,044.00
Total Sources	<u>\$62,408,460.00</u>

#### Uses of Funds:

Deposit to Project Fund	\$61,934,570.00
Deposit to Debt Service Fund	154,044.00
Underwriter's Discount	173,016.00
Costs of Issuance	146,830.00
Total Uses	<u>\$62,408,460.00</u>

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## ***Purposes of Bonds***

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The 2006 Bonds were issued for: (a) payment of costs and expenses incurred or to be incurred by the State in connection with economic development projects and the recruitment of industrial prospects to the State; and (b) payment of costs, expenses and fees in connection with the issuance of the bonds. The proceeds of the Bonds remaining after the payment of issuance expenses are expected to be used to pay a portion of the costs of various economic development projects located throughout the State. Approximately \$50,000,000 is for the Hudson Alpha Institute for Biotechnology in Huntsville for constructing and equipping buildings to house biotechnology research and development activities of the Institute, and a business incubator for new biotech ventures; approximately \$5,000,000 is for the Mobile Airport Authority for the benefit of EADS/Airbus; approximately \$4,000,000 is for the State Industrial Development Authority to fund site improvement grants; and approximately \$1,000,000 is for Wal-Mart, Inc./Alabama Industrial Development Training Agency in Brundidge to pay the cost of training workers. The remaining \$1,500,000 is split among smaller projects.

### **Revenues Pledged for Payment**

Under the *Constitution of Alabama 1901* and laws of the State, the Series 2006 Bonds shall be direct and general obligations of the State, and the full faith and credit of the State of Alabama are irrevocably pledged for the prompt and faithful payment of the principal of and interest on the bonds. Money can be taken from the Alabama Capital Improvement Trust Fund (this is Fund 1091), or the State General Fund, although neither Fund is specifically pledged for this debt (page 7 of the Official Statement). Oil and Gas Royalty Payments are deposited in the Alabama Capital Improvement Trust Fund, although these are not specifically pledged as security for the Bonds (pages 7-8 of the Official Statement).

### **Legal Authority:**

*Constitution of Alabama 1901*, Amendment Number 666.

### **General Obligation Bonds, Series 2005-A**

Issue Date: February 1, 2005

Issued: \$103,920,000.00

Total Issuance Costs: \$479,447.31

% of Issuance Costs to Total Bonds Issued: 0.46%

#### **Sources of Funds:**

Principal Amount of Bonds	\$103,920,000.00
Original Issue Premium	5,163,622.05
Accrued Interest	265,070.21
Total Sources	<u>\$109,348,692.26</u>

#### **Uses of Funds:**

Deposit to Project Fund	\$108,604,174.74
Deposit to Debt Service Fund	265,070.21
Underwriter's Discount	187,056.00
Costs of Issuance	292,391.31
Total Uses	<u>\$109,348,692.26</u>

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## ***Purposes of Bonds***

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The 2005-A Bonds were issued for: (a) payment of costs associated with the acquisition, development, construction, improvement, expansion and modernization of several colleges and universities in Alabama; (b) payment of costs and expenses incurred or to be incurred by the State in connection with economic development projects and the recruitment of industrial prospects to the State; and (c) payment of costs, expenses and fees in connection with the issuance of the bonds. Approximately \$69,450,000 was paid to several Universities, including Auburn, USA, UAB, UAH, Alabama A&M, Jacksonville State, Tuskegee University, and several community colleges; the remaining \$34,470,000 was used for the economic development of several corporations in Alabama, the largest of which were Ozark Avionics (\$6,000,000); Austal USA and Kronospan (\$5,000,000 each); Marion County One-Stop (\$4,000,000); and EJM Aerospace Services, Talladega One-Stop, and DeKalb One-Stop (\$3,000,000 each), plus several smaller projects.

### **Revenues Pledged for Payment**

Under the *Constitution of Alabama 1901* and laws of the State, the Series 2005-A Bonds shall be direct and general obligations of the State, and the full faith and credit of the State of Alabama are irrevocably pledged for the prompt and faithful payment of the principal of and interest on the bonds. Money can be taken from the Alabama Capital Improvement Trust Fund (this is Fund 1091), or the State General Fund, although neither Fund is specifically pledged for this debt (page 7 of the Official Statement). Oil and Gas Royalty Payments are deposited in the Alabama Capital Improvement Trust Fund, although these are not specifically pledged as security for the Bonds (page 7 of the Official Statement).

### **Legal Authority:**

*Constitution of Alabama 1901*, Amendment Number 666.

### **General Obligation Bonds, Series 2002-A**

Issue Date: September 1, 2002

Issued: \$54,955,000.00

Total Issuance Costs: \$467,852.50

% of Issuance Costs to Total Bonds Issued: 0.85%

#### **Sources of Funds:**

Principal Amount of Bonds	\$54,955,000.00
Original Issue Premium	1,312,852.50
Total Sources	<u>\$56,267,852.50</u>

#### **Uses of Funds:**

Deposit to Project Fund	\$55,800,000.00
Underwriter's Discount	282,840.75
Costs of Issuance	185,011.75
Total Uses	<u>\$56,267,852.50</u>

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## ***Purposes of Bonds***

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The 2002-A Bonds were issued to pay “Economic and Development Costs” relating to seven separate projects, namely: (i) renovation and rehabilitation of the riverfront and downtown commercial areas of the City of Montgomery; (ii) construction and equipping of the Shelby Interdisciplinary Bio Medical Research Institute Building to be located on the campus of the University of Alabama at Birmingham, in Birmingham, Alabama; (iii) a regional distribution center for Wal-Mart Stores to be located in Brundidge, Alabama; (iv) construction of a new aircraft hangar and related facilities and rehabilitation of existing related facilities owned and to be owned by the Craig Field Airport and Industrial Authority at the Craig Field Airport and Industrial Complex in Selma, Alabama; (v) acquisition of an existing building located in Athens, Alabama (the “Limestone County Facility”); (vi) construction of a new aircraft hangar facility and related ramp improvements owned and to be owned by the Mobile Airport Authority and located at the Brookley Airport and Industrial Complex in Mobile, Alabama; and (vii) improvement and expansion of the Alabama Historical Commission St. Jude’s project in Montgomery, Alabama.

### **Revenues Pledged for Payment**

Under the *Constitution of Alabama 1901* and laws of the State, the Series 2002-A Bonds shall be direct and general obligations of the State, and the full faith and credit of the State of Alabama are irrevocably pledged for the prompt and faithful payment of the principal of and interest on the bonds. Revenues available to the State for the payment of debt service on the Bonds include all General Fund revenues, and in addition, the oil and gas royalty payments deposited in the Alabama Capital Improvement Trust Fund (this is Fund 1091). None of such legally available revenues are, however, specially pledged for payment of debt service on the bonds (page 8 of the Official Statement).

### **Legal Authority:**

*Constitution of Alabama 1901*, Amendment Number 666, and Act 2001-954.

### **General Obligation Bonds, Series 2001-E**

Issue Date: November 1, 2001

Issued: \$85,000,000.00

Total Issuance Costs: \$239,361.28

% of Issuance Costs to Total Bonds Issued: 0.28%

#### **Sources of Funds:**

Principal Amount of Bonds	\$85,000,000.00
Original Issue Premium	1,182,694.15
Total Sources	<u>\$86,182,694.15</u>

#### **Uses of Funds:**

Local Government Match Account	\$50,000,000.00
Docks Improvement Account	20,000,000.00
Municipal Infrastructure Account	15,000,000.00
Underwriter's Discount	239,361.28
Premium	943,332.87
Total Uses	<u>\$86,182,694.15</u>

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## ***Purposes of Bonds***

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The 2001-E Bonds were issued for the purpose of (a) road and bridge improvements in the State (to match grants of federal revenues for such purposes), (b) municipal infrastructure improvements through the Alabama Department of Transportation, (c) capital improvements to the State Docks Facilities at the Port of Mobile, and (d) paying the expenses of issuing the bonds.

The Local Government Match of \$50,000,000 will provide the match portion to receive federal funds for the Alabama Federal Aid Highway Authority Grant Anticipation Bonds, Series 2002-A, issued for \$200,000,000, which were issued in anticipation of the receipt of the federal share of the costs of constructing any roads, streets, parks, right of ways, bridges, railroad crossings, drainage structures, signs, guard rails, structures, interstates, surfaces, resurfaces, shoulders, road sides, or any other work which is eligible for federal aid financing assistance under Title 23, Chapter 1 of the United States Code and applicable regulations.

The Docks Improvement funds of \$20,000,000 will provide a portion of the approximately \$45 million needed to finance (i) replacing an older structure at Pier North A with a new 200,000 square foot warehouse to handle increased aluminum, steel, and forest product imports; (ii) engineering and environmental work at Choctaw Point, related to construction of a new container terminal; (iii) upgrading Pier C; (iv) upgrading the current container terminal to increase handling capacity; (v) strengthening open-air Pier D to enable it to better accommodate heavier traffic, such as steel imports; (vi) improving the connections between the Authority's Terminal Railway and the four commercial interstate railroads in Mobile, Alabama; and (vii) other various upgrades and improvements. The remaining costs will be funded with approximately \$17.855 million of the State Port Authority bonds issued pursuant to Act 1984-412, as amended by Act 1997-410 and Amendment Number 446 to the ***Constitution of Alabama 1901*** (State Port Authority, Series 2001), \$5 million in federal grant money and \$5 million from the Authority's cash reserves.

### ***Revenues Pledged for Payment***

Under the ***Constitution of Alabama 1901*** and laws of the State, the Series 2001-E Bonds shall be direct and general obligations of the State, and the full faith and credit of the State of Alabama are irrevocably pledged for the prompt and faithful payment of the principal of and interest on the bonds. Revenues available to the State for the payment of debt service on the Bonds include all General Fund revenues, and in addition, the oil and gas royalty payments deposited in the Alabama Capital Improvement Trust Fund (this is Fund 1091). None of such legally available revenues are, however, specially pledged for payment of debt service on the bonds (page 7 of the Official Statement).

### ***Legal Authority:***

***Constitution of Alabama 1901***, Amendment Number 666.



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## ***Purposes of Bonds***

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### **General Obligation Bonds, Series 2001-D**

Issue Date: June 1, 2001

Issued: \$6,000,000.00

Total Issuance Costs: \$19,100.00

% of Issuance Costs to Total Bonds Issued: 0.32%

#### **Sources of Funds:**

Principal Amount of Bonds	\$6,000,000.00
Less: Original Issue Discount	(17,423.00)
Total Sources	<u>\$5,982,577.00</u>

#### **Uses of Funds:**

Project Funds	\$5,963,477.00
Issuance Costs	19,100.00
Total Uses	<u>\$5,982,577.00</u>

The Series 2001-D Bonds were issued for the purpose of paying the costs of acquiring, constructing, improving, renovating, equipping, and maintaining public historical sites and public historical parks within the State that are not under the jurisdiction of the Alabama Department of Conservation.

### **Revenues Pledged for Payment**

Under the *Constitution of Alabama 1901* and laws of the State, the Series 2001-D Bonds shall be direct and general obligations of the State, and the full faith and credit of the State of Alabama are irrevocably pledged for the prompt and faithful payment of the principal of and interest on the bonds. Revenues available to the State for the payment of debt service on the Bonds include all General Fund revenues. None of such legally available revenues are, however, specially pledged for payment of debt service on the bonds (page 8 of the Official Statement).

### **Legal Authority:**

*Constitution of Alabama 1901*, Amendment Number 617, and Act 2000-708.

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## ***Purposes of Bonds***

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### **General Obligation Bonds, Series 2001-C**

Issue Date: June 1, 2001

Issued: \$104,000,000.00

Total Issuance Costs: \$330,900.00

% of Issuance Costs to Total Bonds Issued: 0.32%

#### **Sources of Funds:**

Principal Amount of Bonds	\$104,000,000.00
Net Premium	2,290,583.00
Total Sources	<u>\$106,290,583.00</u>

#### **Uses of Funds:**

Project Funds	\$100,959,683.00
Deposit to Maintenance Fund	5,000,000.00
Issuance Costs	330,900.00
Total Uses	<u>\$106,290,583.00</u>

The Series 2001-C Bonds were issued for the purpose of acquiring, constructing, improving, renovating, equipping, and maintaining the State parks system.

### **Revenues Pledged for Payment**

Under the *Constitution of Alabama 1901* and laws of the State, the Series 2001-C Bonds shall be direct and general obligations of the State, and the full faith and credit of the State of Alabama are irrevocably pledged for the prompt and faithful payment of the principal of and interest on the bonds. Revenues available to the State for the payment of debt service on the Bonds include all General Fund revenues. None of such legally available revenues are, however, specially pledged for payment of debt service on the bonds (page 8 of the Official Statement).

### **Legal Authority:**

*Constitution of Alabama 1901*, Amendment Number 617, and Act 2000-708.

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## ***Purposes of Bonds***

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### **General Obligation Bonds, Series 2001-B**

Issue Date: March 1, 2001

Issued: \$17,500,000.00

Total Issuance Costs: \$124,250.00

% of Issuance Costs to Total Bonds Issued: 0.71%

#### **Sources of Funds:**

Principal Amount of Bonds	\$17,500,000.00
Total Sources	<u>\$17,500,000.00</u>

#### **Uses of Funds:**

Project Funds	\$17,375,750.00
Issuance Costs	<u>124,250.00</u>
Total Uses	<u>\$17,500,000.00</u>

The Series 2001-B Bonds were issued to construct and equip a facility for forensic science education, training, research, and highly specialized testing at the University of Alabama at Birmingham – Department of Justice to include the National Institute for Forensic Sciences; and to construct and equip a facility for forensic science education, training, research, and highly specialized testing at Alabama State University.

### **Revenues Pledged for Payment**

Under the *Constitution of Alabama 1901* and laws of the State, the Series 2001-B Bonds shall be direct and general obligations of the State, and the full faith and credit of the State of Alabama are irrevocably pledged for the prompt and faithful payment of the principal of and interest on the bonds. Revenues available to the State for the payment of debt service on the Bonds include all General Fund revenues, and, in addition, the oil and gas royalty payments deposited in the Alabama Capital Improvement Trust Fund (this is Fund 1091). None of such legally available revenues are, however, specially pledged for payment of debt service on the bonds; royalty payments deposited in the Alabama Capital Improvement Trust Fund are not specifically pledged as security for the Bonds (page 7 of the Official Statement).

### **Legal Authority:**

*Constitution of Alabama 1901*, Amendment Number 620, and Act 1998-391.

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## ***Purposes of Bonds***

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### **General Obligation Bonds, Series 2001-A**

Issue Date: February 1, 2001

Issued: \$57,700,000.00

Total Issuance Costs: \$260,600.00

% of Issuance Costs to Total Bonds Issued: 0.45%

#### Sources of Funds:

Principal Amount of Bonds	\$57,700,000.00
Total Sources	<u>\$57,700,000.00</u>

#### Uses of Funds:

Project Funds	\$57,439,400.00
Issuance Costs	260,600.00
Total Uses	<u>\$57,700,000.00</u>

The Series 2001-A Bonds were issued for the purpose of providing and improving animal diagnostic laboratories in the State to provide improved animal health testing for livestock and poultry producers, veterinarians, animal owners, and animal-related businesses generally; providing and improving agricultural livestock educational and research facilities in the State; providing and improving forestry, plant science and nursery crop educational and research facilities in the State; providing and improving veterinary medicine instructional and research facilities in the State; providing structures and offices for use by the Alabama Agricultural Experiment Station System at regional research extension centers; providing and equipping a center for cotton, cotton products technology as an educational, applied research, and promotional facility in the field of textile and apparel technology.

### **Revenues Pledged for Payment**

Under the *Constitution of Alabama 1901* and laws of the State, the Series 2001-A Bonds shall be direct and general obligations of the State, and the full faith and credit of the State of Alabama are irrevocably pledged for the prompt and faithful payment of the principal of and interest on the bonds. Revenues available to the State for the payment of debt service on the Bonds include all General Fund revenues, and, in addition, the oil and gas royalty payments deposited in the Alabama Capital Improvement Trust Fund (this is Fund 1091). None of such legally available revenues are, however, specially pledged for payment of debt service on the bonds; royalty payments deposited in the Alabama Capital Improvement Trust Fund are not specifically pledged as security for the Bonds (Page 8 of the Official Statement).

### **Legal Authority:**

*Constitution of Alabama 1901*, Amendments Number 618 and 619, and Acts 1998-497 and 1998-506.

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## ***Purposes of Bonds***

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### **General Obligation Refunding Bonds, Series 1999-B**

Issue Date: July 13, 1999

Issued: \$14,395,000.00

Total Issuance Costs: \$72,942.75

% of Issuance Costs to Total Bonds Issued: 0.51%

#### **Sources of Funds:**

Principal Amount of Bonds	\$14,395,000.00
Reoffering Premium	1,018.90
Total Sources	<u>\$14,396,018.90</u>

#### **Uses of Funds:**

Project Funds	\$14,323,076.15
Issuance Costs	23,014.00
Underwriter's Discount	49,928.75
Total Uses	<u>\$14,396,018.90</u>

The Series 1999-B Bonds were issued for the purpose of advance refunding and redeeming the State's General Obligation Bonds, Series 1990.

The Series 1990 Bonds were issued for the purpose of paying a portion of the capital costs of deepening, widening, and extending the existing federal channel at Bayou La Batre, Alabama, and to finance the acquisition, development, construction, improvement, expansion, and modernization (or any of them) of general cargo handling facilities of the State Docks at the Port of Mobile and to pay bond issuance costs.

### **Revenues Pledged for Payment**

Under the *Constitution of Alabama 1901* and laws of the State, the Series 1999-B Bonds shall be direct and general obligations of the State, and the full faith and credit of the State of Alabama are irrevocably pledged for the prompt and faithful payment of the principal of and interest on the bonds (page 12 of the Official Statement).

### **Legal Authority:**

*Constitution of Alabama 1901*, Amendment Number 510, and Act 1990-599.

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## *Purposes of Bonds*

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### General Obligation Refunding Bonds, Series 1999-A

Issue Date: July 13, 1999

Issued: \$269,689,790.50

Total Issuance Costs: \$1,509,471.50

% of Issuance Costs to Total Bonds Issued: 0.56%

#### Sources of Funds:

Principal Amount of Bonds	\$269,689,790.50
Reoffering Premium	5,662,466.60
Total Sources	<u>\$275,352,257.10</u>

#### Uses of Funds:

Project Funds	\$273,842,785.60
Issuance Costs	429,241.66
Underwriter's Discount	1,080,229.84
Total Uses	<u>\$275,352,257.10</u>

The Series 1999-A Bonds were issued for the purpose of refunding the State's General Obligation Refunding Bonds, Series 1989.

The Refunding Series 1989 Bonds were issued for the purpose of refunding the State's General Obligation Series 1982-A, 1982-B, and a portion of the 1983-A and 1983-B Bonds.

The Series 1983-A and 1983-B Bonds were issued for the purpose of refunding a portion of the State's General Obligation Series 1982-A and 1982-B Bonds and to pay the issuance costs of the bonds.

The Series 1982-A and Series 1982-B Bonds were issued for the purpose of financing the acquisition, construction, or improvement of various State projects, which include: public roads, streets, highways and bridges; buildings, equipment, and other facilities for public schools; public technical and vocational school and public institutions of higher education; state prisons; facilities for the housing, training, education, or rehabilitation of prisoners; and other facilities in connection with prisons and other penal or correctional facilities; mental hospitals and other mental health facilities; the improvement of navigation in Mobile Harbor by the deepening and widening of channels therein and the construction and installation of dock and wharf facilities in Mobile Harbor and on other navigable inland waterways; the renovation and restoration of buildings in the main governmental complex of the State, including the State Capitol Building and the present headquarters office building of the State Highway Department; the construction and equipping of a new headquarters office building for the State Highway Department; facilities for the Alabama Department of Youth Services; the renovation and restoration of the State Coliseum in Montgomery County; public parks and park facilities; the acquisition of land for conservation and preservation by the Alabama Department of Conservation and Natural Resources; and the planting of shells to be used as culch for the improvement of oyster cultivation and other maricultural activities in Alabama coastal waters, bays and sounds; and equipment for the Alabama Education Television Commission.

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## ***Purposes of Bonds***

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### **Revenues Pledged for Payment**

Under the *Constitution of Alabama 1901* and laws of the State, the Series 1999-A Bonds shall be direct and general obligations of the State, and the full faith and credit of the State of Alabama are irrevocably pledged for the prompt and faithful payment of the principal of and interest on the bonds (page 12 of the Official Statement).

### **Legal Authority:**

*Constitution of Alabama 1901*, Amendment Number 510, and Act 1990-599.

### **REVENUE BONDS**

#### **Alabama Corrections Institution Finance Authority, Series 2003-B**

Issue Date: January 1, 2003

Issued: \$4,000,000.00

Total Issuance Costs: \$74,120.00

% of Issuance Costs to Total Bonds Issued: 1.85%

#### **Sources of Funds:**

Principal Amount of Bonds	\$4,000,000.00
Bond Premium	253,230.00
Total Sources	<u>\$4,253,230.00</u>

#### **Uses of Funds:**

Deposit to Construction Fund	\$4,179,110.00
Issuance Costs	30,000.00
Underwriter's Discount	44,120.00
Total Uses	<u>\$4,253,230.00</u>

The Series 2003-B Bonds were issued for the purpose of acquiring, constructing, modifying and/or improving certain penal and correctional facilities in the State of Alabama owned or to be owned by the Authority and leased to the Alabama Department of Corrections, an agency of the State of Alabama pursuant to lease agreements, and paying a portion of the expenses of issuing the Series 2003-B Bonds.

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## ***Purposes of Bonds***

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### **Revenues Pledged for Payment**

The Series 2003-B Bonds are special limited obligations of the Authority payable solely from (i) revenues and receipts of the Authority by the Department pursuant to the Lease; (ii) proceeds of insurance in the event of damage or destruction of the Leased Facilities; (iii) amounts (if any) received in the event of the condemnation of the Leased Facilities; (iv) amounts payable by MBIA under the insurance policy; (v) funds held by the Paying Agent or the Trustee under the terms of the Indenture; (vi) earnings (if any) on Funds held by the Paying Agent or the Trustee (other than earnings required to be rebated to the United States of America); and (vii) funds received by the Trustee in the event of any foreclosure sale of any of the Leased Facilities that are mortgaged in the Indenture (page 8 of the Official Statement).

### **Legal Authority:**

The *Code of Alabama 1975*, Sections 14-2-2 and 14-2-12.

### **Alabama Corrections Institution Finance Authority, Series 2003-A**

Issue Date: January 1, 2003

Issued: \$17,530,000.00

Total Issuance Costs: \$275,014.00

% of Issuance Costs to Total Bonds Issued: 1.57%

#### Sources of Funds:

Principal Amount of Bonds	\$17,530,000.00
Bond Premium	298,175.00
Total Sources	<u>\$17,828,175.00</u>

#### Uses of Funds:

Deposit to Escrow Fund for Series 1993-B	\$17,553,161.00
Issuance Costs	81,658.00
Underwriter's Discount	193,356.00
Total Uses	<u>\$17,828,175.00</u>

The Series 2003-A Bonds were issued for the purpose of refunding the Authority's outstanding Revenue Bonds, Series 1993-B, and paying a portion of the expenses of issuing the Series 2003-A Bonds.

The Series 1993-B Bonds were issued for the purpose of acquiring, constructing, modifying, and/or improving certain penal and correction facilities of the State of Alabama owned or to be owned by the Authority and leased by the Alabama Department of Corrections, an agency of the State of Alabama pursuant to the Lease Agreement of 1986, paying the interest on the Series 1993-B Bonds for a period of twelve (12) months, and paying the expenses of issuance of the Series 1993-B Bonds.



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## ***Purposes of Bonds***

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### **Revenues Pledged for Payment**

The Series 2003-A Bonds are special limited obligations of the Authority payable solely from (i) revenues and receipts of the Authority by the Department pursuant to the Lease; (ii) proceeds of insurance in the event of damage or destruction of the Leased Facilities; (iii) amounts (if any) received in the event of the condemnation of the Leased Facilities; (iv) amounts payable by MBIA under the insurance policy; (v) funds held by the Paying Agent or the Trustee under the terms of the Indenture; (vi) earnings (if any) on Funds held by the Paying Agent or the Trustee (other than earnings required to be rebated to the United States of America); and (vii) funds received by the Trustee in the event of any foreclosure sale of any of the Leased Facilities that are mortgaged in the Indenture (page 8 of the Official Statement).

### **Legal Authority:**

The *Code of Alabama 1975*, Sections 14-2-2 and 14-2-12.

### **Alabama Judicial Building Authority, Series 1996**

Issue Date: December 1, 1996

Issued: \$23,364,439.45

Total Issuance Costs: \$476,930.76

% of Issuance Costs to Total Bonds Issued: 2.04%

#### Sources of Funds:

Principal Amount of Bonds	\$23,364,439.45
Authority Cash Contribution	320,450.00
Total Sources	<u>\$23,684,889.45</u>

#### Uses of Funds:

Project Funds	\$23,207,958.69
Issuance Costs	289,773.51
Underwriter's Discount	187,157.25
Total Uses	<u>\$23,684,889.45</u>

The Series 1996 Bonds were issued to provide funds for the purpose of refinancing a portion of the Series 1990 Bonds, which were issued for the purpose of providing funds for the costs of acquiring, constructing, and equipping a judicial facilities building located in the city of Montgomery, Alabama for use by the Unified Judicial System, of the State of Alabama, including the Supreme Court of the State of Alabama, the Court of Criminal Appeals, the Court of Civil Appeals, the State Law Library, and the Administrative Office of Courts.

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## ***Purposes of Bonds***

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### **Revenues Pledged for Payment**

The Series 1996 Bonds are special limited obligations of the Authority payable solely from (i) payments by the Judicial System denominated as “Basic Rent for the Series 1996 Bonds” under the Lease and all other rents, revenues, earnings and income of the Authority from the Project; (ii) proceeds of insurance in the event of damage or destruction of the Project; (iii) amounts, if any, received in the event of condemnation of the Project; (iv) all funds and securities held by the State Treasurer under the Resolution and all investment earnings thereon, excluding amounts held in the Refunding Trust Fund and further excluding all investment earnings subject to rebate to the United States; and (v) amounts payable by the Series 1996 Insurer under the Series 1996 Municipal Bond Insurance Policy (page 8 of the Official Statement).

### **Legal Authority:**

The *Code of Alabama 1975*, Section 41-10-260.

### **Alabama Public Health Care Authority, Series 2005**

Issue Date: September 1, 2005

Issued: \$57,975,000.00

Total Issuance Costs: \$418,592.70

% of Issuance Costs to Total Bonds Issued: 0.72%

#### Sources of Funds:

Principal Amount of Bonds	\$57,975,000.00
Less: Original Issue Discount	(63,896.75)
Accrued Interest	188,036.25
Transfer from Refunded Bonds Indenture	1,758,702.12
Lessee Contribution	20,000.00
Total Sources	<u>\$59,877,841.62</u>

#### Uses of Funds:

Deposit to Escrow Agreement	\$28,751,623.67
Deposit to Bond Fund	188,036.25
Deposit to Construction Fund	30,003,735.75
Bond Insurance and Surety Bond Premiums	243,092.70
Issuance Costs	175,500.00
Underwriter's Discount	515,853.25
Total Uses	<u>\$59,877,841.62</u>

The Series 2005 Bonds were issued to accomplish an advance refunding of the Series 1996 Bonds and to finance the acquisition, construction, and equipping of certain public health care facilities in the State (the “2005 Facilities”). Pursuant to a Lease Agreement dated as of September 1, 2005, between the Issuer and the State of Alabama, acting by and through its Department of Public Health (the “Lessee”), the 2005 Facilities will be acquired, constructed, installed, equipped, renovated, and/or refurbished by the Issuer and the Original Facilities and the 2005 Facilities will be leased to the Lessee.

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## *Purposes of Bonds*

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The refunded Series 1996 Bonds were issued to finance the acquisition, construction and equipping of certain public health care facilities in the State.

### **Revenues Pledged for Payment**

The Series 2005 Bonds are special limited obligations of the Issuer payable from (i) payments by the Lessee pursuant to the Lease Agreement; (ii) funds held by the Trustee under the Indenture; and (iii) any other revenues, rentals or receipts derived by the Issuer from the leasing or sale of the Facilities (page 1 of the Official Statement).

### **Legal Authority:**

The *Code of Alabama 1975*, Sections 22-21-310 through 22-21-344 and 22-21-350 through 22-21-359.

### **Alabama Federal Aid Highway Finance Authority, Series 2002-A**

Issue Date: April 1, 2002

Issued: \$200,000,000.00

Total Issuance Costs: \$1,806,039.85

% of Issuance Costs to Total Bonds Issued: 0.90%

#### **Sources of Funds:**

Principal Amount of Bonds	\$200,000,000.00
Additional Contribution from State	50,000,000.00
Bond Premium	4,421,260.85
Total Sources	<u>\$254,421,260.85</u>

#### **Uses of Funds:**

Deposit to Federal Aid Project Fund	\$202,615,221.00
State Portion of Financed Projects Costs	50,000,000.00
Issuance Costs	420,000.00
Issuance Premium	938,000.00
Underwriter's Discount	448,039.85
Total Uses	<u>\$254,421,260.85</u>

Article 10 of Chapter 1 of Title 23 of the *Code of Alabama 1975*, authorizes the Authority to issue bonds in anticipation of the receipt of the federal share of the costs of constructing any roads, streets, parks, right of ways, bridges, railroad crossings, drainage structures, signs, guard rails, structures, interstates, surfaces, resurfaces, shoulders, road sides, or any other work which is eligible for federal aid financing assistance under Title 23, Chapter 1 of the United States Code and applicable regulations.

The State Portion of Financed Project Cost of \$50,000,000 is funded by a portion of the General Obligation Series 2001-E Bonds.

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## *Purposes of Bonds*

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### **Revenues Pledged for Payment**

The pledged revenues include all federal aid funds for any Federal Aid Projects to be received by the Department from the United States government to the extent that such funds may be required to pay the principal and interest on any obligations issued under the Authorizing Act (Project Agreement Revenues). The following funds are also pledged to secure the payment of principal of and interest on the Series 2002-A Bonds: (i) The Federal Aid Funds other than the Project Agreement Revenues; (ii) the income derived from the investment of moneys held in the Project Fund, except to the extent that such income is needed for the payment of any Required Rebate or to make any required deposits to the Rebate Fund; and (iii) any moneys and investments held in the Debt Service Fund (pages 10-11 of the Official Statement).

### **Legal Authority:**

The *Code of Alabama 1975*, Sections 23-1-300 through 23-1-318.

### **Montgomery Downtown Redevelopment Authority, Series 2002**

Issue Date: August 8, 2002

Issued: \$43,265,000.00

Total Issuance Costs: \$1,131,110.00

% of Issuance Costs to Total Bonds Issued: 1.38%

#### **Sources of Funds:**

Principal Amount of Bonds	\$43,265,000.00
Reoffering Premium	3,470,598.00
Transfers from Funds Established for Refunded Bonds	11,426,505.00
Total Sources	<u>\$58,162,103.00</u>

#### **Uses of Funds:**

Deposit to Escrow Fund	\$57,565,914.00
Issuance Costs	596,189.00
Total Uses	<u>\$58,162,103.00</u>

The Series 2002 Bonds were issued for the purpose of refunding on a current basis, the Authority's Mortgage Revenue Refunding Bonds, Series 1992 and paying the costs of issuing the Series 2002 Bonds.

The Series 1992 Bonds were issued to refund certain of the Authority's Mortgage Revenue Bonds, Series 1988, to provide funds for deposit into a debt service reserve fund established for the Series 1992 Bonds, and to pay the costs of issuing the Series 1992 Bonds.

The Series 1988 Bonds were issued to provide funds for the acquisition, construction, installation, and equipping of the State office building known as the Gordon Persons Building located on South Ripley Street in the City of Montgomery, Alabama. A portion of the proceeds was also used to purchase a parking deck, office facility, and motor pool facility located on Union Street, in the City of Montgomery, Alabama.

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## ***Purposes of Bonds***

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### **Revenues Pledged for Payment**

Pursuant to the Lease Agreement, but only during the term thereof (including any renewal terms), the State will pay rentals (“Basic Rental Payments”) sufficient to pay the principal of and interest (and premium, if any) on the Series 2002 Bonds due during the term of the Lease Agreement out of the general revenues of the State (page 1 of the Official Statement).

### **Legal Authority:**

The *Code of Alabama 1975*, Sections 11-54A-1 through 11-54A-24.

### **Alabama Building Renovation Finance Authority, Series 2006**

Issue Date: August 1, 2006

Issued: \$30,000,000.00

Total Issuance Costs: \$120,600.00

% of Issuance Costs to Total Bonds Issued: 0.40%

#### Sources of Funds:

Principal Amount of Bonds	\$30,000,000.00
Bond Premium	299,649.70
Accrued Interest	102,963.19
Total Sources	<u>\$30,402,612.89</u>

#### Uses of Funds:

Deposit to Series 2006 Capital Improvement Fund	\$29,814,391.71
Deposit to Bond Fund	102,963.19
Underwriter's Discount	272,581.26
Bond Insurance Premium	92,076.73
Issuance Costs	120,600.00
Total Uses	<u>\$30,402,612.89</u>

The Series 2006 Bonds were issued for the purpose of equipping, improving, renovating and maintaining certain public office buildings, including the State Capitol Building, and providing parking facilities for such buildings (page 1 of the Official Statement).

The Buildings consist of 7 State buildings forming a part of the Capitol Complex, which surround the State Capitol Building at 600 Dexter Avenue, Montgomery, Alabama. These Buildings are the Folsom Administrative Building, the Lurleen B. Wallace State Office Building, the Archives Building, the Public Safety Building, the Public Health Building, the Judicial Building, and the Alabama State House (pages 13-14 of the Official Statement).

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## ***Purposes of Bonds***

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Proceeds of the Series 2006 Bonds will be used to (i) renovate, expand and equip the Public Safety Building to accommodate the offices for the Alabama Attorney General; (ii) renovate and equip the Alabama State House to provide additional office facilities for the Alabama Legislature; (iii) pay a portion of the costs of the repair and or replacement of the roof on the State Capitol Building; (iv) construct or renovate parking facilities to serve any of the Buildings; and (v) further renovate, construct, reconstruct, improve, alter, add to, demolish and/or equip any of the Buildings (page 14 of the Official Statement).

### **Revenues Pledged for Payment**

Pursuant to the Lease Agreement, the revenues from the Master Lease between the Authority as Landlord and the State of Alabama, acting by and through its Department of Finance, as Tenant, whereby all of the properties heretofore covered by the previous leases are leased by the Authority to the Department of Finance. The revenues from the Master Lease are pledged as security for the Series 2006 Bonds (pages 1-2 of the Official Statement). Act 2005-303 also pledges revenue from the Alabama Capital Improvement Trust Fund (this is Fund 1091) to the Alabama Building Renovation Finance Authority.

### **Legal Authority:**

Act 2006-618, which amended a part of the *Code of Alabama 1975*, Sections 41-10-450 through 41-10-477.

### **Alabama Building Renovation Finance Authority, Series 1999**

Issue Date: September 1, 1999

Issued: \$35,975,000.00

Total Issuance Costs: \$280,942.00

% of Issuance Costs to Total Bonds Issued: 0.78%

#### **Sources of Funds:**

Principal Amount of Bonds	\$35,975,000.00
Less: Original Issue Discount	(107,282.00)
Less: Underwriter's Discount	(179,515.00)
Total Sources	<u>\$35,688,203.00</u>

#### **Uses of Funds:**

Project Funds	\$35,407,261.00
Issuance Costs	280,942.00
Total Uses	<u>\$35,688,203.00</u>

The Series 1999 Bonds were issued for the purpose of advance refunding the entire outstanding Principal amount of the Series 1990 Bonds, providing funds for the constructing and equipping of a new west wing for the Archives Building, and paying the costs of issuing the Series 1999 Bonds.

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## ***Purposes of Bonds***

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The Series 1990 Bonds were issued to provide funds for the purpose of the renovation, reconstruction, improvement, and alteration of certain State of Alabama office buildings (Folsom Administrative Building, State Office Building, Archives and History Building, Public Safety Building, Public Health Building, Judicial Building, and the Alabama State House) in the City of Montgomery, Alabama, and any equipment and other facilities necessary or useful in connection therewith.

### **Revenues Pledged for Payment**

Pursuant to the Lease Agreement, the revenues from the Master Lease between the Authority as Landlord and the State of Alabama, acting by and through its Department of Finance, as Tenant, whereby all of the properties heretofore covered by the previous leases are leased by the Authority to the Department of Finance. The revenues from the Master Lease are pledged as security for the Series 1999 Bonds (page 1 of the Official Statement). Act 2005-303 also pledges revenue from the Alabama Capital Improvement Trust Fund (this is Fund 1091) to the Alabama Building Renovation Finance Authority.

### **Legal Authority:**

The *Code of Alabama 1975*, Sections 41-10-450 through 41-10-477.

### **Alabama State Port Authority, Series 2006D (AMT)**

Issue Date: December 1, 2006

Issued: \$21,600,000.00

Issuance Costs: \$378,283.00

% of Issuance Costs to Total Bonds Issued: 1.75%

#### **Sources of Funds:**

Principal Amount of Bonds	\$21,600,000.00
Less: Original Issue Discount	(625,320.00)
Total Sources	<u>\$20,974,680.00</u>

#### **Uses of Funds:**

Deposit to Escrow Fund	\$19,656,797.00
Deposit to Reserve Fund	939,600.00
Issuance Costs	378,283.00
Total Uses	<u>\$20,974,680.00</u>

The Series 2006 Bonds are being issued for the purpose of (i) refunding certain outstanding debt of the Authority, (ii) financing various capital improvements to facilities owned by the Authority, (iii) funding a debt service reserve fund for the benefit of the Series 2006 Bonds and (iv) paying the costs of issuing the Series 2006 Bonds (pages 2 and 3 of the Official Statement).

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## ***Purposes of Bonds***

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The proceeds of the Series 2006D Bonds will be deposited into an irrevocable trust fund (the “Escrow Fund”) and will be used to purchase certain obligations of the United States Treasury Department (the “Escrow Securities”). The cash flow from the Escrow Securities, without reinvestment, when added to any uninvested cash in the Escrow Fund, will be sufficient to make all required payments under an existing equipment financing lease with SunTrust Bank when due (page 3 of the Official Statement).

### **Revenues Pledged for Payment**

The Series 2006D Bonds are special, limited obligations of the Authority payable solely out of and secured by a pledge of and lien on (i) Docks Facilities Revenues and (ii) any income from the investment thereof (page 9 of the Official Statement). The Docks Facilities Revenues include all gross revenues of the Authority for the use of the Authority’s Docks Facilities. Such fees and charges include, without limitation, handling and processing charges, tariffs, surcharges and other fees and lease and rental payments (page 10 of the Official Statement).

### **Legal Authority:**

The Series 2006D Bonds are being issued under the authority of the constitution and laws of the State of Alabama, including particularly Chapter 1 of Title 33 (Section 33-1-1 et seq.) and Article 7 of Chapter 2 of Title 33 (Sections 33-2-180 et seq.) of the *Code of Alabama 1975* (page 9 of the Official Statement).

### **Alabama State Port Authority, Series 2006C (AMT)**

Issue Date: November 21, 2006

Issued: \$60,455,000.00

Issuance Costs: \$1,415,669.00

% of Issuance Costs to Total Bonds Issued: 2.34%

#### **Sources of Funds:**

Principal Amount of Bonds	\$60,455,000.00
Transfers from Reserve Funds Established for Benefit of Refunded Bonds	3,629,717.00
Total Sources	<u>\$64,084,717.00</u>

#### **Uses of Funds:**

Deposit to Escrow Fund	\$59,714,331.00
Deposit to Reserve Fund	2,954,717.00
Issuance Costs	1,415,669.00
Total Uses	<u>\$64,084,717.00</u>



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## ***Purposes of Bonds***

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The Series 2006C Bonds are being issued for the purpose of (i) refunding certain outstanding debt of the Authority, (ii) financing various capital improvements to facilities owned by the Authority, (iii) funding a debt service reserve fund for the benefit of the Series 2006 Bonds and (iv) paying the costs of issuing the Series 2006 Bonds (page 3 of the Official Statement).

A portion of the proceeds of the Series 2006C Bonds will be used to currently refund the outstanding principal of the Authority's Docks Facilities Revenue Refunding Bonds, Series 1996 (the "Series 1996 Bonds"), which are outstanding in the aggregate principal amount of \$58,000,000. The Series 1996 Bonds will be redeemed 30 days from the issuance of the Series 2006C Bonds at a redemption price of 102% (page 4 of the Official Statement).

In December 2002, the Authority entered into a swaption contract with Merrill Lynch Capital Services, Inc. in order to monetize certain expected debt service savings in respect of the Authority's callable Docks Facilities Revenue Bonds, Series 1996. The swaption contract gave Merrill Lynch the option to enter into a variable-to-fixed interest rate swap agreement effective October 1, 2006. Merrill Lynch exercised its option under the swaption contract on July 18, 2006, which required the Authority to commence paying a fixed interest rate of 5.38% and the Authority to receive a variable interest rate calculated as 67% of the LIBOR (London Interbank Offered Rate) rate on an initial notional amount of \$60,455,000. The swap agreement with Merrill Lynch expires on October 1, 2021. The variable rate debt service on the Series 2006C Bonds will be hedged by the Swap Agreement (page 4 of the Official Statement). The variable interest rate was 4.15% at September 30, 2007.

### **Revenues Pledged for Payment**

The Series 2006C Bonds are special, limited obligations of the Authority payable solely out of and secured by a pledge of and lien on (i) Docks Facilities Revenues and (ii) any income from the investment thereof. The fixed payments to be made by the Authority pursuant to its existing swap agreement with Merrill Lynch Capital Markets will be on a parity of lien with the Series 2006C Bonds (page 19 of the Official Statement). The Docks Facilities Revenues include all gross revenues of the Authority for the use of the Authority's Docks Facilities. Such fees and charges include, without limitation, handling and processing charges, tariffs, surcharges and other fees and lease and rental payments (page 19 of the Official Statement).

### **Legal Authority:**

The Series 2006C Bonds are being issued under the authority of the constitution and laws of the State of Alabama, including particularly Chapter 1 of Title 33 (Section 33-1-1 et seq.) and Article 7 of Chapter 2 of Title 33 (Sections 33-2-180 et seq.) of the *Code of Alabama 1975* (page 15 of the Official Statement).

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## *Purposes of Bonds*

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### Alabama State Port Authority, Series 2006A (AMT) and Series 2006B (non-AMT)

Issue Date: November 1, 2006

Issued: \$157,645,000.00 (Series 2006A)  
\$70,050,000.00 (Series 2006B)

Issuance Costs: \$3,682,781.00

% of Issuance Costs to Total Bonds Issued: 1.62%

#### Sources of Funds:

Principal Amount of 2006A Bonds	\$157,645,000.00
Principal Amount of 2006B Bonds	70,050,000.00
Bond Premium	5,476,210.00
Transfers from Reserve Funds Established for Benefit of Refunded Bonds	12,404,500.00
Total Sources	<u>\$245,575,710.00</u>

#### Uses of Funds:

Deposit to Escrow Fund	\$118,912,241.00
Deposit to Reserve Fund	17,980,688.00
Improvements	105,000,000.00
Issuance Costs	3,682,781.00
Total Uses	<u>\$245,575,710.00</u>

The Series 2006A & B Bonds are being issued for the purpose of: (i) refunding certain outstanding debt of the Authority, (ii) financing various capital improvements to facilities owned by the Authority; (iii) funding a debt service reserve fund for the benefit of the Series 2006A and B Bonds and (iv) paying the costs of issuing the Series 2006A and b Bonds (page 1 of the Official Statement).

A portion of the Series 2006A Bonds will be used to advance refund the outstanding principal amount of the Authority's (1) Docks Facilities Revenue Bonds, Series 1997 (the "Series 1997 Bonds"), which are outstanding in the aggregate principal amount of \$34,665,000, and (2) Docks Facilities Revenue Bonds, Series 2001 (the "Series 2001 Bonds"), which are outstanding in the aggregate principal amount of \$17,855,000 (page 3 of the Official Statement).

A portion of the Series 2006A Bonds will be used to finance improvements to the Port of Mobile. This includes the McDuffie Coal Terminal; a rail/ferry intermodal facility which will be operated by CB Railway; costs of property acquisition, resurfacing and expanding the Authority's North C Yard Terminal, paying the costs of new rail tracks to attract new rail business and new barge fleeting structures to increase barge business; and to pay the costs of facilities to reduce air and water emissions such as storm water recover upgrades, runoff prevention measures, and dust suppression systems (page 4 of the Official Statement).

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## ***Purposes of Bonds***

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A portion of the Series 2006B Bonds will be used to refund the outstanding principal amount of the Authority's Docks Facilities Revenue Refunding Bonds, Series 1998 (the "Series 1998 Bonds"), which are outstanding in the aggregate principal amount of \$62,210,000. The Series 1997 Bonds, the Series 1998 Bonds, and the Series 2001 Bonds are hereafter collectively referred to as the "Refunded Bonds" (page 3 of the Official Statement).

A portion of the Series 2006B Bonds will be used to finance a portion of the costs of an access bridge to the Mobile Container Terminal (page 4 of the Official Statement).

### **Revenues Pledged for Payment**

The Series 2006A and B Bonds are special, limited obligations of the Authority payable solely out of and secured by a pledge of and lien on (i) Docks Facilities Revenues and (ii) any income from the investment thereof (page 11 of the Official Statement). The Docks Facilities Revenues include all gross revenues of the Authority for the use of the Authority's Docks Facilities. Such fees and charges include, without limitation, handling and processing charges, tariffs, surcharges and other fees and lease and rental payments (page 12 of the Official Statement).

### **Legal Authority:**

The Series 2006A and 2006B Bonds are being issued under the authority of the constitution and laws of the State of Alabama, including particularly Chapter 1 of Title 33 (Section 33-1-1 et seq.) and Article 7 of Chapter 2 of Title 33 (Sections 33-2-180 et seq.) of the ***Code of Alabama 1975*** (page 11 of the Official Statement).

On December 21, 2005, the Gulf Opportunity Zone Act of 2005 (GOZA) was signed into law by President Bush. Among other things, GOZA allows governmental entities in Alabama to advance refund on a tax-exempt basis bonds which were issued pursuant to Section 142 of the Internal Revenue Code (i.e., exempt facility bonds such as bonds issued to finance docks and wharves). As required by GOZA, Governor Riley has designated the Series 2006A & B Bonds as GOZA bonds (page 11 of the Official statement).

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## ***Purposes of Bonds***

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### **Alabama State Port Authority, Series 2001**

Issue Date: December 1, 2001

Issued: \$17,855,000.00

Issuance Costs: \$680,191.00

% of Issuance Costs to Total Bonds Issued: 3.81%

#### Sources of Funds:

Principal Amount of Bonds	\$17,855,000.00
Less: Original Issue Discount	(389,239.00)
Contribution of Funds by the Authority	795,233.00
Expected Investment Earnings on Construction Fund	356,585.00
Total Sources	<u>\$18,617,579.00</u>

#### Uses of Funds:

Construction Costs	\$17,000,000.00
Deposit to Debt Service Reserve Fund	937,388.00
Underwriter's Discount	119,629.00
Issuance Costs	560,562.00
Total Uses	<u>\$18,617,579.00</u>

The Series 2001 Bonds were issued for the purpose of (i) replacing an older structure at Pier North A with a new 200,000 square foot warehouse to handle increased aluminum, steel, and forest product imports; (ii) engineering and environmental work at Choctaw Point, related to construction of a new container terminal; (iii) upgrading Pier C; (iv) upgrading the current container terminal to increase handling capacity; (v) strengthening open-air Pier D to enable it to better accommodate heavier traffic, such as steel imports; (vi) improving the connections between the Authority's Terminal Railway and the four commercial interstate railroads in Mobile, Alabama; and (vii) other various upgrades and improvements.

The Series 2001 Bonds will provide a portion of the approximately \$45 million needed to finance this plan. The remaining costs will be funded with approximately \$20 million of the State's general obligation bonds issued pursuant to Amendment Number 666 (G.O. Bonds 2001-E Bonds), \$5 million in federal grant money, and \$5 million from the Authority's cash reserves.

The Series 2001 Bonds were advance-refunded by the Alabama State Port Authority Series 2006A Bonds. The Series 2001 Bonds will be redeemed on October 1, 2011 at a redemption price of 100%.

### **Revenues Pledged for Payment**

The Series 2001 Bonds are limited special obligations of the Authority, the principal, redemption premium (if any) and interest on which are payable solely from and secured solely by the "Docks Facilities Revenues". The Docks Facilities Revenues of the Authority, as defined in the Bond Order, means all gross revenues of the Authority derived from charges made by the Authority for all services provided (page 11 of the Official Statement).

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## *Purposes of Bonds*

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### Legal Authority:

The *Constitution of Alabama 1901*, Amendment Number 446, and Acts 1984-412 and 1997-410.

### Alabama State Port Authority, Series 1998

Issue Date: July 8, 1998

Issued: \$101,590,000.00

Total Issuance Costs: \$1,642,696.48

% of Issuance Costs to Total Bonds Issued: 1.62%

#### Sources of Funds:

Principal Amount of Bonds	\$101,590,000.00
Premium	22,716.10
Transfer from 1988 Debt Service Fund	1,253,988.75
Total Sources	<u>\$102,866,704.85</u>

#### Uses of Funds:

Project Funds	\$101,224,008.37
Underwriter's Discount	451,878.54
Issuance Costs	1,190,817.94
Total Uses	<u>\$102,866,704.85</u>

The Series 1998 Bonds were issued for the purpose of refunding those of the Series 1988 Bonds maturing on or after October 1, 1999, and paying the costs of issuance of the 1998 Bonds.

The Series 1988 Bonds were issued for the purpose of refunding the Docks Facilities Revenue Refunding Bonds, Series 1987.

The Series 1987 Bonds were issued for the purpose of refunding a portion of the 1985 Docks Facilities Revenue Refunding Bonds, Series 1985.

The Series 1985 Bonds were issued for the purpose of refunding the Series 1981 Bonds, the Series 1978 Bonds, and the Series 1972 Bonds.

The Series 1981 Bonds were issued for the purpose of providing funds for the construction, lease, and purchase of certain coal handling and grain handling facilities in the Port of Mobile, to deposit into the Debt Service Reserve Fund a sum equal to \$12,455,000, to pay capitalized interest on the Bonds for a period of three years, and to pay the costs of issuance of the Series 1981 Bonds.

The Series 1978 Bonds were issued for the purpose of providing for the construction of and improvements to existing seaport facilities of the State Port Authority at the Port of Mobile for use in the loading, unloading, storage, or other processing of coal, coke, or other materials.

The Series 1972 Bonds were issued for the purpose of providing funds for the construction, improvement, and equipping a seaport facility at the Port of Mobile to be used as a coal bulk-handling facility.

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## ***Purposes of Bonds***

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The Series 1998 Bonds were advance-refunded by the Alabama State Port Authority Series 2006B Bonds. The Series 1998 Bonds will be redeemed on October 1, 2008 at a redemption price of 102%.

### **Revenues Pledged for Payment**

The Series 1998 Bonds are limited special obligations of the Authority, the principal, redemption premium (if any) and interest on which are payable solely from and secured solely by the "Docks Facilities Revenues". The Docks Facilities Revenues of the Authority, as defined in the Bond Order, means all gross revenues of the Authority derived from charges made by the Authority for all services provided (page 18 of the Official Statement).

### **Legal Authority:**

The *Constitution of Alabama 1901*, Amendment Number 446, and Acts 1984-412 and 1997-410.

### **Alabama State Port Authority, Series 1997**

Issue Date: September 1, 1997

Issued: \$34,665,000.00

Total Issuance Costs: \$706,810.77

% of Issuance Costs to Total Bonds Issued: 2.04%

#### **Sources of Funds:**

Principal Amount of Bonds	\$34,665,000.00
Less: Original Issue Discount	(623,903.45)
Construction Period Earnings	1,231,604.67
Total Sources	<u>\$35,272,701.22</u>

#### **Uses of Funds:**

Construction Costs	\$31,088,677.70
Deposit to Debt Service Reserve	3,466,500.00
Underwriter's Discount	152,810.77
Issuance Costs	554,000.00
Total Uses	<u>\$35,261,988.47</u>

The Series 1997 Bonds were issued to provide funds necessary to pay the amounts needed to rehabilitate the North B Warehouse, rehabilitate the end of Slip C, demolish the West Batteries and old head house at the Public Grain Elevator, remove and relocate the rail/barge facility from its current location east of the Public Grain Elevator to Choctaw Point, construct an extension to the Berth D dock, install a water recycling and pile sprinkler system at the McDuffie Terminal, install freezer facilities in the Blakely Warehouse, install a rail loop track at Garrows Bend Bulk Terminal, modify the discharge equipment at Garrows Bend Bulk Terminal, and rehabilitate the end of Slip D.

The Series 1997 Bonds were advance-refunded by the Alabama State Port Authority Series 2006A Bonds. The Series 1997 Bonds will be redeemed on October 1, 2007 at a redemption price of 102%.

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## ***Purposes of Bonds***

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### **Revenues Pledged for Payment**

The Series 1997 Bonds are limited special obligations of the Authority, the principal, redemption premium (if any) and interest on which are payable solely from and secured solely by the “Docks Facilities Revenues”. The Docks Facilities Revenues of the Authority, as defined in the Bond Order, means all gross revenues of the Authority derived from charges made by the Authority for all services provided (page 18 of the Official Statement).

### **Legal Authority:**

The *Constitution of Alabama 1901*, Amendment Number 446, and Acts 1984-412 and 1997-410.

### **Alabama State Port Authority, Series 1996**

Issue Date: March 1, 1996

Issued: \$58,000,000.00

Total Issuance Costs: \$1,429,012.00

% of Issuance Costs to Total Bonds Issued: 2.46%

#### Sources of Funds:

Principal Amount of Bonds	\$58,000,000.00
Less: Original Issue Discount	(563,000.00)
Interest Earnings on Construction Fund	165,000.00
Unrestricted Department Funds	14,947,669.00
Total Sources	<u>\$72,549,669.00</u>

#### Uses of Funds:

Project Funds	\$56,288,260.00
Payments by Department for Construction	14,832,397.00
Issuance Costs	1,429,012.00
Total Uses	<u>\$72,549,669.00</u>

The Series 1996 Bonds were issued to provide funds necessary to pay a portion of the amounts needed to construct or reimburse the Alabama State Port Authority for costs heretofore incurred in constructing a marginal wharf, warehouse, and open storage area to be operated by the Authority as its Berth E facilities in Mobile, Alabama on real property owned by the Authority; modifications to the Authority’s McDuffie Island Coal Handling Facility to facilitate barge coal and material shipments and to provide an additional conveyor belt and railroad facilities to allow the handling of import coal and larger volumes of rail-delivered coal.

The Alabama State Port Authority Series 2006C Bonds were used to refund the Series 1996 Bonds. The Series 1996 Bonds were called on December 21, 2006 at a 2% premium, so final payment was made on them in the 2006-2007 fiscal year.

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## ***Purposes of Bonds***

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### **Revenues Pledged for Payment**

The Series 1996 Bonds are limited special obligations of the Authority, the principal, redemption premium (if any) and interest on which are payable solely from and secured solely by the “Docks Facilities Revenues”. The Docks Facilities Revenues of the Authority, as defined in the Bond Order, means all gross revenues of the Authority derived from charges made by the Authority for all services provided (page 10 of the Official Statement).

### **Legal Authority:**

The *Constitution of Alabama 1901*, Amendment Number 446, and Act 1984-412.

### **Alabama Incentives Financing Authority, Series 1999-A, 1999-B, and 1999-C**

Issue Date: November 15, 1999 – 1999-A	Issued: 1999-A – \$23,970,000.00
October 1, 1999 – 1999-B	1999-B – \$68,825,000.00
October 1, 1999 – 1999-C	1999-C – \$42,425,000.00

Total Issuance Costs: \$3,119,779.00      % of Issuance Costs to Total Bonds Issued: 2.31%

#### Sources of Funds:

Principal Amount of 1999-A Bonds	\$ 23,970,000.00
Principal Amount of 1999-B Bonds	68,825,000.00
Less: Original Issue Discount	(1,709,107.00)
Principal Amount of 1999-C Bonds	42,425,000.00
Total Sources	<u>\$133,510,893.00</u>

#### Uses of Funds:

Payment and Retirement of 1995-A Bonds	\$ 74,021,977.00
Payment and Retirement of Bond Anticipation Notes	50,386,630.00
Additional Funds for Y2K Expenditures	5,982,507.00
Issuance Costs	3,119,779.00
Total Uses	<u>\$133,510,893.00</u>

The Series 1999-A Bonds were issued for the purpose of refunding a portion of the Series 1995-A Bonds issued by the Authority and refunding a portion of additional bond anticipation notes issued by the Authority.

The Series 1999-B Bonds were issued for the purposes of refunding a portion of the Series 1995-A Bonds issued by the Authority, which may not be refunded on a tax-exempt basis; and refunding a portion of additional bond anticipation notes issued by the Authority.



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## ***Purposes of Bonds***

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The Series 1999-C Bonds were issued for the purpose of refunding the remaining bond anticipation notes not refunded with the proceeds of the Series 1999-A and Series 1999-B Bonds, financing additional Y2K expenditures, and providing for the payment of financial incentives to an industrial prospect.

The interest rates for the Series 1999-C Bonds are variable and conditional depending on a variety of factors. The Bonds bear interest at the Weekly Rate, the Term Rate, or the Bank Rate. The rate at September 30, 2004 was 1.9%; the rate at September 30, 2005 was 3.88%; the rate at September 30, 2006 was 5.33%; the rate at September 30, 2007 was 5.13%. The Series 1999-C Bonds were redeemed completely in November 2007.

The 1995-A Bonds were issued for the construction and equipping of a training facility building on property owned by the Mercedes-Benz Corporation – including acquisition and installation of machinery, training equipment, furniture, fixtures and other property in the operation thereof as a facility for training workers in automobile manufacturing and related trades and skills.

### ***Revenues Pledged for Payment***

The Series 1999-A, Series 1999-B, and Series 1999-C Bonds are limited obligations of the Authority payable solely from and secured by a pledge and assignment of the proceeds of the State's allocable share of certain payments in lieu of taxes made by the Tennessee Valley Authority to the State pursuant to 16 USC Section 8311 and Act Number 86-564 adopted at the 1986 Regular Session of the Legislature of Alabama after deducting such amounts of such payments as may be necessary to pay principal and interest on certain bonds issued by the Tennessee Valley Exhibit Commission (pages 1-2 of the 1999-A, 1999-B, and 1999-C Official Statements). In addition, a Tax-Exempt Reserve Fund and a Taxable Reserve Fund have been set up for the Series 1999-A and 1999-B Bonds, leading to interest income being earned (pages 16-17 of the Series 1999-A and 1999-B Official Statement). A Special Fund has been set up for the Series 1999-C Bonds, leading to interest income being earned (page 33 of the 1999-C Official Statement).

### ***Legal Authority:***

The *Code of Alabama 1975*, Sections 41-10-540 through 41-10-556, 41-10-570, and 41-10-590 through 41-10-594.

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## *Purposes of Bonds*

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### Alabama Incentives Financing Authority, Series 1995-B

Issue Date: August 1, 1995

Issued: \$30,000,000.00

Total Issuance Costs: \$0.00

% of Issuance Costs to Total Bonds Issued: 0.00%

Sources of Funds:

Principal Amount of Bonds	\$30,000,000.00
Total Sources	<u>\$30,000,000.00</u>

Uses of Funds:

Project Funds	\$30,000,000.00
Total Uses	<u>\$30,000,000.00</u>

The Series 1995-B Bonds were issued for the purpose of the construction and equipping of a training facility building on property owned by the Mercedes-Benz Corporation – including the acquisition and installation of machinery, training equipment, furniture, fixtures and other property in the operation thereof as a facility for training workers in automobile manufacturing and related trades and skills.

The State of Alabama, Department of Finance, Division of Risk Management is the sole holder of this bond issue.

The Series 1995-B Bond Purchase Agreement originally stated that the bonds would be issued for \$30 million, and would keep this value until October 1, 2017, then the value would increase from \$30 million to \$40 million on October 2, 2017 (Series 1995-B Bond Purchase Agreement, Article III, Section 3.2, pages 11-12). The original maturity date was October 1, 2025 (Series 1995-B Bond Purchase Agreement, Article I, page 5; and Article III, Section 3.2, page 12).

An amendment signed effective March 27, 1996, stated that the Series 1995-B Bonds will appreciate in value from \$30 million to \$40 million by October 1, 2014, and that the maturity date would remain at October 1, 2025. The amendment also stated that the Series 1995-B Bonds would not pay interest until the Interest Commencement Date (the April 1 following the Deposit Commencement Date) (Article III, Section 3.2, pages 12-13). However, the maturity date has been moved (see next paragraph).

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## *Purposes of Bonds*

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A Subordination, Substitution and Amendatory Agreement between the Alabama Department of Finance, the Alabama Incentives Finance Authority, and First Commercial Bank, dated October 1, 1999, extended the Deposit Commencement Date and Current Interest Payment Date for the Series 1995-B Bonds until October 1, 2029 and April 1, 2030, respectively. This agreement states that no debt service (neither principal, premium, nor interest) will be paid on the Series 1995-B Bonds until the Incentives Financing Authority Series 1999-A, Series 1999-B, and Series 1999-C Bonds are paid in full (these issues are not scheduled to mature until October 1, 2029). Section 3.3 of the Subordination, Substitution and Amendatory Agreement also states, in part, “the Authority hereby agrees that, beginning October 1, 2014 and continuing until the Deposit Commencement Date [October 1, 2029], the Appreciated Value of the 1995-B Bonds shall increase at the rate of 10% per annum, compounded annually.”

### **Revenues Pledged for Payment**

Authority obligations shall not be general obligations of the authority but shall be payable solely from one or more of the following sources: (1) appropriated funds; (2) the revenues and receipts of the authority derived from any financing agreement entered into by the authority with respect to the project or projects financed by such authority obligations; (3) the income or proceeds realized by the authority under any mortgage or other security granted to the authority; (4) amounts derived from any letter of credit, insurance policy or other form of credit enhancement applicable to the authority obligations; (5) any reserve or other fund established for such purpose by the authority; (6) any earnings on the proceeds of authority obligations invested by the authority pending their disbursement; and (7) any other amounts that may hereafter be appropriated to the authority (*Code of Alabama 1975*, Section 41-10-547).

There is hereby irrevocably pledged and appropriated such amounts as may be necessary to pay and to redeem prior to their respective maturities the principal of and the interest on any issue of bonds or to pay the principal of and the interest on any refunding bonds issued to refund any revenue bonds that shall be issued by the Alabama Incentives Finance Authority from the revenues retained by the State of Alabama from the in-lieu-of-taxes payments made by the Tennessee Valley Authority (which are herein called the “TVA payments”) following the distribution of a portion of such TVA payments to certain counties in the State of Alabama as provided in Section 40-28-2, and following the pledge and appropriation of TVA payments pursuant to Section 41-9-783, for the Tennessee Valley Exhibit Commission Bonds outstanding on July 20, 1995 (*Code of Alabama 1975*, Section 41-10-570).

### **Legal Authority:**

The *Code of Alabama 1975*, Section 41-10-540 through 41-10-570.

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## ***Purposes of Bonds***

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### **Alabama Public School and College Authority, Series 2006**

Issue Date: March 2, 2006

Issued: \$53,565,000.00

Total Issuance Costs: \$382,170.28

% of Issuance Costs to Total Bonds Issued: 0.37%

#### Sources of Funds:

Principal Amount of Bonds	\$53,565,000.00
Bond Premium	1,272,924.95
Total Sources	<u>\$54,837,924.95</u>

#### Uses of Funds:

Deposit to Loan Fund	\$54,455,754.67
Issuance Costs	200,000.00
Underwriter's Costs	182,170.28
Total Uses	<u>\$54,837,924.95</u>

The Series 2006 Bonds were issued for the purpose to make loans to local boards of education in Alabama ("Local Boards") in order to finance capital improvements approved by the Authority and the State Superintendent of Education. The loans to participating Local Boards will be evidenced by obligations issued by such Local Boards in favor of the Authority which will be payable solely from and secured by such Local Boards' respective allocable shares of the funds distributed to Local Boards of Education from the State of Alabama public school fund for capital purposes pursuant to Section 16-13-234, *Code of Alabama 1975* (the "Capital Outlay Funds"). Although the Authority expects that the Capital Outlay Funds pledged by participating Local Boards of Education will be approximately equal to and may be used for the payment of debt service on the Series 2006 Bonds, such Capital Outlay Funds will not be pledged as security for the Series 2006 Bonds and Series 2006 Bondholders will have no recourse against such Capital Outlay Funds.

### **Revenues Pledged for Payment**

Although the Authority expects that the Capital Outlay Funds pledged by participating Local Boards of Education will be adequate to pay debt service on that portion of the Series 2006 Bonds issued for such purpose, these Capital Outlay Funds will not be pledged as security for the Series 2006 Bonds (page 1 of the Official Statement). The principal of and interest on the Series 2006 Bonds are payable solely from, and are secured pro rata, one with the other, by an irrevocable pledge of the following revenues: (a) Utility Gross Receipts Tax (Article 3 of Chapter 21 of Title 40 of the *Code of Alabama 1975*); (b) Utility Service Use Tax (Article 4 of Chapter 21 of Title 40 of the *Code of Alabama 1975*); (c) Sales Tax (Division I of Article 1 of Chapter 23 of Title 40 of the *Code of Alabama 1975*); and (d) Use Tax (Article 2 of Chapter 23 of Title 40 of the *Code of Alabama 1975*) (page 7 of the Official Statement).

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## *Purposes of Bonds*

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### Legal Authority:

Act 1998-373, Section 3(b) and Section 10, and the bond resolution adopted by the Board of Directors of the Authority at a meeting thereof held on March 2, 2006.

### Alabama Public School and College Authority, Series 2005

Issue Date: February 1, 2005

Issued: \$84,980,000.00

Total Issuance Costs: \$1,036,171.90

% of Issuance Costs to Total Bonds Issued: 1.21%

#### Sources of Funds:

Principal Amount of Bonds	\$84,980,000.00
Bond Premium	826,171.90
Accrued Interest	381,004.27
Total Sources	<u><u>\$86,187,176.17</u></u>

#### Uses of Funds:

Deposit to Capital Project and Expense Fund-Pool	\$84,770,000.00
Accrued Interest	381,004.27
Issuance Costs	201,791.69
Underwriter's Costs	834,380.21
Total Uses	<u><u>\$86,187,176.17</u></u>

The Series 2005 Bonds were issued for the purpose to make loans to local boards of education in Alabama ("Local Boards") in order to finance capital improvements needed to eliminate portable and sub-standard classrooms and for other capital expenditures approved by the Authority and the State Superintendent of Education. The loans to participating Local Boards will be evidenced by school warrants issued by such Local Boards in favor of the Authority which will be payable solely from and secured by such Local Board's allocable share of the funds distributed to Local Boards from the State of Alabama public school fund for capital purposes pursuant to Section 16-13-234, *Code of Alabama 1975* (the "Capital Outlay Funds"). Although the Authority expects that the Capital Outlay Funds pledged by participating Local Boards will be adequate to pay debt service on that portion of the Series 2005 Bonds issued for such purpose, such Capital Outlay Funds will not be pledged as security for the Series 2005 Bonds and Series 2005 Bondholders will have no recourse against such Capital Outlay Funds.

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## *Purposes of Bonds*

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### *Revenues Pledged for Payment*

Although the Authority expects that the Capital Outlay Funds pledged by participating Local Boards will be adequate to pay debt service on that portion of the Series 2005 Bonds issued for such purpose, these Capital Outlay Funds will not be pledged as security for the Series 2005 Bonds (page 1 of the Official Statement). The principal of and interest on the Series 2005 Bonds are payable solely from, and are secured pro rata, one with the other, by an irrevocable pledge of the following revenues: (a) Utility Gross Receipts Tax (Article 3 of Chapter 21 of Title 40 of the *Code of Alabama 1975*); (b) Utility Service Use Tax (Article 4 of Chapter 21 of Title 40 of the *Code of Alabama 1975*); (c) Sales Tax (Division I of Article 1 of Chapter 23 of Title 40 of the *Code of Alabama 1975*); and (d) Use Tax (Article 2 of Chapter 23 of Title 40 of the *Code of Alabama 1975*) (page 11 of the Official Statement).

### *Legal Authority:*

Act 1998-373, Section 3(b) and Section 10, and the bond resolution adopted by the Board of Directors of the Authority at a meeting thereof held on February 23, 2005.

### *Alabama Public School and College Authority, Series 2003*

Issue Date: December 1, 2003

Issued: \$106,045,000.00

Total Issuance Costs: \$592,737.36

% of Issuance Costs to Total Bonds Issued: 0.56%

#### Sources of Funds:

Principal Amount of Bonds	\$106,045,000.00
Bond Premium	2,963,676.50
Accrued Interest	369,377.43
Total Sources	<u>\$109,378,053.93</u>

#### Uses of Funds:

Deposit to Hyundai Training Fund	\$ 56,168,165.94
Deposit to Pool Loans Fund	36,463,273.43
Deposit to School Reconstruction and Repair Fund	15,784,499.77
Deposit to Debt Service Fund	369,377.43
Issuance Costs	592,737.36
Total Uses	<u>\$109,378,053.93</u>

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## ***Purposes of Bonds***

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The Series 2003 Bonds were issued for the purposes of (i) making loans to Local Boards of Education in order to finance capital improvements needed to eliminate portable and sub-standard classrooms and for other capital expenditures approved by the Authority and State Superintendent of Education, (ii) paying the costs of acquiring, constructing, improving and equipping certain worker training facilities and other related training costs for use by certain automobile manufacturing and assembly plants in the State of Alabama, and (iii) paying the costs of rebuilding certain destroyed schools in Etowah, Henry and Walker Counties and the costs of certain emergency health and safety capital outlay needs at certain public schools in Lowndes County.

Approximately \$35,575,000 of the Series 2003 Bond proceeds will be used pursuant to the authorization contained in Section 3(b) and Section 10 of the 1998 Act. These provisions permit Local Boards to leverage their respective shares of the Capital Outlay Funds to be distributed each year from the State of Alabama Public School Fund for capital purposes. The proceeds of the Series 2003 Bonds will be loaned to certain specified Local Boards in order to finance capital improvements approved by the Authority and the State Superintendent of Education.

Approximately \$54,800,000 of the Series 2003 Bond proceeds will be used to satisfy a portion of the State of Alabama's commitment to Hyundai Motor Manufacturing of Alabama, LLC with respect to the construction of a state-of-the-art worker training facility near Montgomery, Alabama and the purchase of major equipment on which employees will be trained. Hyundai has announced that its new automobile manufacturing assembly plant near Montgomery, Alabama is expected to employ approximately 2,000 employees and produce in excess of 235,000 vehicles annually. The Hyundai plant is expected to be completed by or before June 30, 2005.

Approximately \$15,400,000 of the Series 2003 Bonds will be used to pay the costs of rebuilding certain destroyed schools in Etowah, Henry and Walker Counties and the costs of certain emergency health and safety capital outlay needs of certain public schools in Lowndes County.

### **Revenues Pledged for Payment**

Although the Authority expects that the Capital Outlay Funds pledged by participating Local Boards will be adequate to pay debt service on that portion of the Series 2003 Bonds issued for such purpose, these Capital Outlay Funds will not be pledged as security for the Series 2003 Bonds (page 1 of the Official Statement). The principal of and interest on the Series 2003 Bonds are payable solely from, and are secured pro rata, one with the other, by an irrevocable pledge of the following revenues: (a) Utility Gross Receipts Tax (Article 3 of Chapter 21 of Title 40 of the *Code of Alabama 1975*); (b) Utility Service Use Tax (Article 4 of Chapter 21 of Title 40 of the *Code of Alabama 1975*); (c) Sales Tax (Division I of Article 1 of Chapter 23 of Title 40 of the *Code of Alabama 1975*); and (d) Use Tax (Article 2 of Chapter 23 of Title 40 of the *Code of Alabama 1975*) (pages 9-10 of the Official Statement).

### **Legal Authority:**

Act 1998-373, Section 3(b) and Section 10, Act 2002-240, and Act 2003-436 adopted by the Alabama Legislature.

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## *Purposes of Bonds*

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### Alabama Public School and College Authority, Series 2002-B

Issue Date: December 1, 2002

Issued: \$27,705,000.00

Total Issuance Costs: \$328,022.00

% of Issuance Costs to Total Bonds Issued: 1.18%

#### Sources of Funds:

Principal Amount of Bonds	\$27,705,000.00
Bond Premium	533,893.00
Total Sources	<u>\$28,238,893.00</u>

#### Uses of Funds:

Deposit to Hyundai Training Fund	\$ 7,000,000.00
Deposit to Mercedes Training Fund	17,800,000.00
Deposit to Dorsey Trailer Fund	250,000.00
Capital Interest	2,656,375.00
Miscellaneous Training Costs	204,496.00
Issuance Costs	<u>328,022.00</u>
Total Uses	<u>\$28,238,893.00</u>

The Series 2002-B Bonds were issued for the purpose of paying the costs of acquiring, constructing, improving and equipping certain worker training facilities and other related training costs for use by certain automobile manufacturing and assembly plants in the State of Alabama.

Approximately \$7,000,000 of the Series 2002-B Bond proceeds will be used to satisfy a portion of the State of Alabama's commitment to Hyundai Motor Manufacturing of Alabama, LLC with the purchase of major equipment on which employees will be trained. Hyundai has announced that its new automobile manufacturing assembly plant near Montgomery, Alabama is expected to employ 2,000 employees and produce in excess of 235,000 vehicles annually. The Hyundai plant is expected to be completed by or before June 30, 2005.

Approximately \$17,800,000 of the proceeds of the Series 2002-B Bonds will be used to satisfy the State's commitment to Mercedes-Benz U. S. International, Inc., which recently announced a major expansion of its existing automobile manufacture and assembly plant near Tuscaloosa, Alabama. Such proceeds will be used to improve the existing worker training facility near the Mercedes plant and to purchase equipment on which Mercedes workers will be trained. The Mercedes expansion is expected to employ an additional 2,000 employees and be completed by the end of calendar year 2003.

Approximately \$250,000 of the proceeds of the Series 2002-B Bonds will be used to reimburse Dorsey Trailer Company for training costs of a nature eligible to be paid pursuant to the Authorizing Act.



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## ***Purposes of Bonds***

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Capitalized interest of the Series 2002-B Bonds through December 1, 2004 will also be financed out of the proceeds of the Series 2002-B Bonds.

### ***Revenues Pledged for Payment***

The principal of and interest on the Series 2002-B Bonds are payable solely from, and are secured pro rata, one with the other, by an irrevocable pledge of the following revenues: (a) Utility Gross Receipts Tax (Article 3 of Chapter 21 of Title 40 of the ***Code of Alabama 1975***); (b) Utility Service Use Tax (Article 4 of Chapter 21 of Title 40 of the ***Code of Alabama 1975***); (c) Sales Tax (Division I of Article 1 of Chapter 23 of Title 40 of the ***Code of Alabama 1975***); and (d) Use Tax (Article 2 of Chapter 23 of Title 40 of the ***Code of Alabama 1975***) (pages 9-10 of the Official Statement).

### ***Legal Authority:***

Act 2002-240 adopted by the 2002 Regular Session of the Alabama Legislature.

### ***Alabama Public School and College Authority, Series 2002-A***

Issue Date: August 21, 2002

Issued: \$106,145,000.00

Total Issuance Costs: \$834,099.00

% of Issuance Costs to Total Bonds Issued: 0.79%

#### Sources of Funds:

Principal Amount of Bonds	\$106,145,000.00
Bond Premium	6,001,351.00
Total Sources	<u>\$112,146,351.00</u>

#### Uses of Funds:

Project Funds	\$111,312,252.00
Underwriter's Discount	468,099.00
Issuance Costs	366,000.00
Total Uses	<u>\$112,146,351.00</u>

The Series 2002-A Bonds were issued to provide funds to loan to local boards of education in Alabama in order to finance capital improvements needed to eliminate portable and sub-standard classrooms and for other capital expenditures approved by the Authority and the State Superintendent of Education.

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## *Purposes of Bonds*

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### *Revenues Pledged for Payment*

Although the Authority expects that the Capital Outlay Funds pledged by participating Local Boards will be adequate to pay debt service on that portion of the Series 2002-A Bonds issued for such purpose, these Capital Outlay Funds will not be pledged as security for the Series 2002-A Bonds (page 1 of the Official Statement). The principal of and interest on the Series 2002-A Bonds are payable solely from, and are secured pro rata, one with the other, by an irrevocable pledge of the following revenues: (a) Utility Gross Receipts Tax (Article 3 of Chapter 21 of Title 40 of the *Code of Alabama 1975*); (b) Utility Service Use Tax (Article 4 of Chapter 21 of Title 40 of the *Code of Alabama 1975*); (c) Sales Tax (Division I of Article 1 of Chapter 23 of Title 40 of the *Code of Alabama 1975*); and (d) Use Tax (Article 2 of Chapter 23 of Title 40 of the *Code of Alabama 1975*) (page 8 of the Official Statement).

### *Legal Authority:*

The *Code of Alabama 1975*, Section 16-16-8, and Act 1998-373, Section 3(b) and Section 10.

### *Alabama Public School and College Authority, Series 2001-B and 2001-C*

Issue Date: December 15, 2001

Issued: 2001-B – \$13,585,000.00

2001-C – \$83,870,000.00

Total Issuance Costs: \$600,000.00

% of Issuance Costs to Total Bonds Issued: 0.62%

#### Sources of Funds:

Principal Amount of 2001-B Bonds	\$13,585,000.00
Principal Amount of 2001-C Bonds	83,870,000.00
Less: Net Discount on 2001-B Bonds	(48,101.00)
Original Issue Premium on 2001-C Bonds	1,659,173.00
Total Sources	<u>\$99,066,072.00</u>

#### Uses of Funds:

Project Funds	\$98,466,072.00
Issuance Costs	600,000.00
Total Uses	<u>\$99,066,072.00</u>

The Series 2001-B and 2001-C Bonds were issued to provide local boards of education and public colleges and universities (including two-year public institutions of higher education) with funds for the purchase and repair of equipment and buildings and other capital outlay projects and for the retirement of indebtedness of such public colleges and universities and local boards of education.

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## ***Purposes of Bonds***

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### **Revenues Pledged for Payment**

The principal of and interest on the Series 2001-B and 2001-C Bonds are payable solely from, and are secured pro rata, one with the other, by an irrevocable pledge of the following revenues: (a) Utility Gross Receipts Tax (Article 3 of Chapter 21 of Title 40 of the *Code of Alabama 1975*); (b) Utility Service Use Tax (Article 4 of Chapter 21 of Title 40 of the *Code of Alabama 1975*); (c) Sales Tax (Division I of Article 1 of Chapter 23 of Title 40 of the *Code of Alabama 1975*); and (d) Use Tax (Article 2 of Chapter 23 of Title 40 of the *Code of Alabama 1975*) (pages 8-9 of the Official Statement).

### **Legal Authority:**

The *Code of Alabama 1975*, Section 16-16-8, and Act 2001-668.

### **Alabama Public School and College Authority, Series 2001-A**

Issue Date: May 15, 2001

Issued: \$92,565,000.00

Total Issuance Costs: \$444,097.00

% of Issuance Costs to Total Bonds Issued: 0.48%

#### Sources of Funds:

Principal Amount of Bonds	\$92,565,000.00
Bond Premium	2,009,865.00
Total Sources	<u>\$94,574,865.00</u>

#### Uses of Funds:

Project Funds	\$94,130,768.00
Issuance Costs	444,097.00
Total Uses	<u>\$94,574,865.00</u>

The Series 2001-A Bonds were issued to make loans to local boards of education in Alabama to finance capital improvements needed to eliminate portable and sub-standard classrooms and for other capital expenditures approved by the Authority and the State Superintendent of Education.

### **Revenues Pledged for Payment**

Although the Authority expects that the Capital Outlay Funds pledged by participating Local Boards will be adequate to pay debt service on that portion of the Series 2001-A Bonds issued for such purpose, these Capital Outlay Funds will not be pledged as security for the Series 2001-A Bonds (page 1 of the Official Statement). The principal of and interest on the Series 2001-A Bonds are payable solely from, and are secured pro rata, one with the other, by an irrevocable pledge of the following revenues: (a) Utility Gross Receipts Tax (Article 3 of Chapter 21 of Title 40 of the *Code of Alabama 1975*); (b) Utility Service Use Tax (Article 4 of Chapter 21 of Title 40 of the *Code of Alabama 1975*); (c) Sales Tax (Division I of Article 1 of Chapter 23 of Title 40 of the *Code of Alabama 1975*); and (d) Use Tax (Article 2 of Chapter 23 of Title 40 of the *Code of Alabama 1975*) (page 9 of the Official Statement).

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## ***Purposes of Bonds***

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### **Legal Authority:**

The *Code of Alabama 1975*, Section 16-16-8, and Act 1998-373, Section 3(b) and Section 10.

### **Alabama Public School and College Authority, Series 1999-D**

Issue Date: November 1, 1999

Issued: \$243,190,000.00

Total Costs of Issuance: \$1,001,389.94

% of Issuance Costs to Total Bonds Issued: 0.41%

#### Sources of Funds:

Principal Amount of Bonds	\$243,190,000.00
Bond Premium	2,111,035.45
Total Sources	<u>\$245,301,035.45</u>

#### Uses of Funds:

Project Funds	\$244,299,645.51
Issuance Costs	1,001,389.94
Total Uses	<u>\$245,301,035.45</u>

The Series 1999-D Bonds were issued to provide funds to loan to local boards of education in Alabama in order to finance capital improvements needed to eliminate portable and sub-standard classrooms and for other capital expenditures approved by the Authority and the State Superintendent of Education.

### **Revenues Pledged for Payment**

Although the Authority expects that the Capital Outlay Funds pledged by participating Local Boards will be adequate to pay debt service on that portion of the Series 1999-D Bonds issued for such purpose, these Capital Outlay Funds will not be pledged as security for the Series 1999-D Bonds (page 1 of the Official Statement). The principal of and interest on the Series 1999-D Bonds are payable solely from, and are secured pro rata, one with the other, by an irrevocable pledge of the following revenues: (a) Utility Gross Receipts Tax (Article 3 of Chapter 21 of Title 40 of the *Code of Alabama 1975*); (b) Utility Service Use Tax (Article 4 of Chapter 21 of Title 40 of the *Code of Alabama 1975*); (c) Lease Tax (Article 4 of Chapter 12 of Title 40 of the *Code of Alabama 1975*); (d) Sales Tax (Division I of Article 1 of Chapter 23 of Title 40 of the *Code of Alabama 1975*); and (e) Use Tax (Article 2 of Chapter 23 of Title 40 of the *Code of Alabama 1975*) (page 10 of the Official Statement).

### **Legal Authority:**

The *Code of Alabama 1975*, Section 16-16-8, and Act 1998-373, Section 3(b) and Section 10.

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## ***Purposes of Bonds***

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### **Alabama Public School and College Authority, Series 1999-C**

Issue Date: October 1, 1999

Issued: \$250,000,000.00

Total Costs of Issuance: \$1,351,950.00

% of Issuance Costs to Total Bonds Issued: 0.54%

#### **Sources of Funds:**

Principal Amount of Bonds	\$250,000,000.00
Bond Premium	2,375,337.00
Total Sources	<u>\$252,375,337.00</u>

#### **Uses of Funds:**

Project Funds	\$251,023,387.00
Issuance Costs	1,351,950.00
Total Uses	<u>\$252,375,337.00</u>

The Series 1999-C Bonds were issued for the purpose of financing capital improvements to public elementary and secondary school facilities, financing capital improvements for public education, to abate emergency situations due to the windstorm and tornado damage of April 1998, financing capital improvements and acquisitions of instructional equipment for public elementary and secondary school career/technical programs, financing fleet renewal by local boards of education, financing capital improvements to facilities of the Department of Youth Services, financing capital improvements and fleet renewal by the Alabama Institute for Deaf and Blind and Southwest School for Deaf and Blind, financing capital improvements for postsecondary education facilities, and financing capital improvements for public institutions of higher education.

### **Revenues Pledged for Payment**

The principal of and interest on the Series 1999-C Bonds are payable solely from, and are secured pro rata, one with the other, by an irrevocable pledge of the following revenues: (a) Utility Gross Receipts Tax (Article 3 of Chapter 21 of Title 40 of the *Code of Alabama 1975*); (b) Utility Service Use Tax (Article 4 of Chapter 21 of Title 40 of the *Code of Alabama 1975*); (c) Lease Tax (Article 4 of Chapter 12 of Title 40 of the *Code of Alabama 1975*); (d) Sales Tax (Division I of Article 1 of Chapter 23 of Title 40 of the *Code of Alabama 1975*); and (e) Use Tax (Article 2 of Chapter 23 of Title 40 of the *Code of Alabama 1975*) (page 9 of the Official Statement).

### **Legal Authority:**

The *Code of Alabama 1975*, Section 16-16-8, and Act 1998-373.

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## *Purposes of Bonds*

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### Alabama Public School and College Authority, Series 1999-A and 1999-B

Issue Date: September 1, 1999

Issued: 1999-A – \$18,360,000.00

1999-B – \$70,640,000.00

Total Costs of Issuance: \$1,106,500.00

% of Issuance Costs to Total Bonds Issued: 1.24%

#### Sources of Funds:

Principal Amount of 1999-A Bonds	\$18,360,000.00
Principal Amount of 1999-B Bonds	70,640,000.00
Less: Original Issue Discount	<u>(1,246,332.00)</u>
Total Sources	<u>\$87,753,668.00</u>

#### Uses of Funds:

Acquisition of Tuscaloosa Training Facility	\$16,217,430.00
Construction of Troy State Training Facility	1,000,000.00
Acquisition of Equipment for Madison Training Facility	20,500,000.00
Y2K Expenditures Under Operating Agreement	48,929,738.00
Issuance Costs	<u>1,106,500.00</u>
Total Uses	<u>\$87,753,668.00</u>

The Series 1999-A Bonds were issued for the purpose of acquiring the Tuscaloosa Training Facility, constructing the Troy State Training Facility, and paying the issuance expenses related to the Series 1999-A Bonds.

The Series 1999-B Bonds were issued for the purpose of paying for equipment to be acquired and installed at the Madison County Training Facility, financing Y2K expenditures, financing the State's obligation to pay for or reimburse Mercedes-Benz U. S. International, Inc. (this financing refunds a portion of the Alabama Incentives Financing Authority, Series 1995-A Bonds), for the payment of the cost of operating and maintaining a worker training facility in Tuscaloosa, Alabama, and paying the issuance expenses related to the Series 1999-B Bonds.

The Alabama Incentives Finance Authority Series 1995-A Bonds were issued for the purpose of the construction and equipping of a training facility building on property owned by the Mercedes-Benz Corporation – including the acquisition and installation of machinery, training equipment, furniture, fixtures and other property in the operation thereof as a facility for training workers in automobile manufacturing and related trades and skills.

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## ***Purposes of Bonds***

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### **Revenues Pledged for Payment**

The principal of and interest on the Series 1999-A and 1999-B Bonds are payable solely from, and are secured pro rata, one with the other, by an irrevocable pledge of the following revenues: (a) Utility Gross Receipts Tax (Article 3 of Chapter 21 of Title 40 of the *Code of Alabama 1975*); (b) Utility Service Use Tax (Article 4 of Chapter 21 of Title 40 of the *Code of Alabama 1975*); (c) Lease Tax (Article 4 of Chapter 12 of Title 40 of the *Code of Alabama 1975*); (d) Sales Tax (Division I of Article 1 of Chapter 23 of Title 40 of the *Code of Alabama 1975*); and (e) Use Tax (Article 2 of Chapter 23 of Title 40 of the *Code of Alabama 1975*) (page 13 of the Official Statement).

### **Legal Authority:**

The *Code of Alabama 1975*, Section 16-16-8, and Act 1999-348.

### **Alabama Public School and College Authority, Series 1998**

Issue Date: November 1, 1998

Issued: \$300,000,000.00

Total Issuance Costs: \$1,032,830.00

% of Issuance Costs to Total Bonds Issued: 0.34%

#### Sources of Funds:

Principal Amount of Bonds	\$300,000,000.00
Bond Premium	3,343,184.20
Total Sources	<u>\$303,343,184.20</u>

#### Uses of Funds:

Project Funds	\$302,310,354.20
Underwriter's Discount	463,830.00
Issuance Costs	569,000.00
Total Uses	<u>\$303,343,184.20</u>

The Series 1998 Bonds were issued for the purpose of financing capital improvements to public elementary and secondary school facilities, financing capital improvements for public education and to abate emergency situations due to the windstorm and tornado damage of April 1998, financing capital improvements and acquiring instructional equipment for public elementary and secondary school career/technical programs, financing fleet renewal by local boards of education, financing capital improvements to facilities of the Department of Youth Services, financing capital improvements and fleet renewal by the Alabama Institute for Deaf and Blind and the Southwest School for Deaf and Blind, financing capital improvements for postsecondary education facilities, and financing capital improvements for public institutions of higher education.

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## ***Purposes of Bonds***

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### **Revenues Pledged for Payment**

The principal of and interest on the Series 1998 Bonds are payable solely from, and are secured pro rata, one with the other, by an irrevocable pledge of the following revenues: (a) Utility Gross Receipts Tax (Article 3 of Chapter 21 of Title 40 of the ***Code of Alabama 1975***); (b) Utility Service Use Tax (Article 4 of Chapter 21 of Title 40 of the ***Code of Alabama 1975***); (c) Lease Tax (Article 4 of Chapter 12 of Title 40 of the ***Code of Alabama 1975***); (d) Sales Tax (Division I of Article 1 of Chapter 23 of Title 40 of the ***Code of Alabama 1975***); and (e) Use Tax (Article 2 of Chapter 23 of Title 40 of the ***Code of Alabama 1975***) (page 7 of the Official Statement).

### **Legal Authority:**

The ***Code of Alabama 1975***, Section 16-16-8, and Act 1998-373.

### **Alabama Public School and College Authority, Series 1996**

Issue Date: January 15, 1996

Issued: \$215,000,000.00

Total Issuance Costs: \$1,063,150.00

% of Issuance Costs to Total Bonds Issued: 0.49%

#### **Sources of Funds:**

Principal Amount of Bonds	\$215,000,000.00
Bond Premium	2,233,359.00
Total Sources	<u>\$217,233,359.00</u>

#### **Uses of Funds:**

Project Funds	\$216,170,209.00
Underwriter's Discount	704,850.00
Issuance Costs	358,300.00
Total Uses	<u>\$217,233,359.00</u>

The Series 1996 Bonds were issued for the purpose of making capital improvements to public and elementary and secondary school facilities and to facilities for the Alabama Institute for the Deaf and Blind, the Department of Youth Services, and public institutions of higher education, and paying the costs of issuance of the Series 1996 Bonds.

### **Revenues Pledged for Payment**

The principal of and interest on the Series 1996 Bonds are payable solely from, and are secured pro rata, one with the other, by an irrevocable pledge of the following revenues: (a) Utility Gross Receipts Tax (Article 3 of Chapter 21 of Title 40 of the ***Code of Alabama 1975***); (b) Utility Service Use Tax (Article 4 of Chapter 21 of Title 40 of the ***Code of Alabama 1975***); (c) Lease Tax (Article 4 of Chapter 12 of Title 40 of the ***Code of Alabama 1975***); (d) Sales Tax (Division I of Article 1 of Chapter 23 of Title 40 of the ***Code of Alabama 1975***); and (e) Use Tax (Article 2 of Chapter 23 of Title 40 of the ***Code of Alabama 1975***) (pages 4-5 of the Official Statement).



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## ***Purposes of Bonds***

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### **Legal Authority:**

The *Code of Alabama 1975*, Section 16-16-8, and Act 1995-752.

### **State Industrial Development Authority, Series 2003**

Issue Date: January 1, 2003

Issued: \$5,000,000.00

Total Issuance Costs: \$253,496.00

% of Issuance Costs to Total Bonds Issued: 5.07%

#### Sources of Funds:

Principal Amount of Bonds	\$5,000,000.00
Bond Premium	115,496.00
Total Sources	<u>\$5,115,496.00</u>

#### Uses of Funds:

Deposit to the Grant Fund Account	\$4,862,000.00
Issuance Costs	253,496.00
Total Uses	<u>\$5,115,496.00</u>

The Series 2003 Bonds were issued for the purpose of making additional survey and site preparation grants. The Authority has the power to make grants for qualifying projects based on the capital costs of the project, with amounts ranging from 6% of such total costs when such total costs are less than \$200,000 to amounts up to 1.5% of such total costs when such costs are not less than \$10,000,000 (subject to the further refinement that, when total anticipated costs exceed \$10,000,000 but are less than \$27,000,000, no grant may exceed \$375,000). In addition, the Authorizing Act stipulates that 20% of grant funds must be expended specifically in rural areas of the State and/or areas with high unemployment and low personal income levels.

### **Revenues Pledged for Payment**

The Series 2003 Bonds will be limited obligations of the Authority payable solely from and secured by a pledge and assignment of the receipts from certain license or privilege taxes levied on cigarettes pursuant to Article 1 of Chapter 25 of Title 40 of the *Code of Alabama 1975* and the excise tax levied on cigarettes in Article 2 of Chapter 25 of Title 40 of the *Code of Alabama 1975* (pages 1 and 7 of the Official Statement).

### **Legal Authority:**

The *Code of Alabama 1975*, Sections 41-10-20 through 41-10-44.3.

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## ***Purposes of Bonds***

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### **State Industrial Development Authority, Series 2000**

Issue Date: October 1, 2000

Issued: \$5,000,000.00

Total Issuance Costs: \$35,000.00

% of Issuance Costs to Total Bonds Issued: 0.70%

#### Sources of Funds:

Principal Amount of Bonds	\$5,000,000.00
Less: Original Issue Discount	(23,418.00)
Total Sources	<u>\$4,976,582.00</u>

#### Uses of Funds:

Project Funds	\$4,941,582.00
Underwriter's Discount	35,000.00
Total Uses	<u>\$4,976,582.00</u>

The Series 2000 Bonds were issued for the purpose of making grants to counties, municipalities, local industrial development boards and authorities, economic development councils and authorities, airport authorities and port authorities organized as public corporations in the State for use by them in making surveys to determine suitable industrial site locations, the availability of labor in the localities, for the preparation of industrial sites in the localities, or for a combination of these uses.

### **Revenues Pledged for Payment**

The Series 2000 Bonds will be limited obligations of the Authority payable solely from and secured by a pledge and assignment of the receipts from certain license or privilege taxes levied on cigarettes pursuant to Article 1 of Chapter 25 of Title 40 of the ***Code of Alabama 1975*** and the excise tax levied on cigarettes in Article 2 of Chapter 25 of Title 40 of the ***Code of Alabama 1975*** (pages 1 and 3 of the Official Statement).

### **Legal Authority:**

The ***Code of Alabama 1975***, Sections 41-10-20 through 41-10-44.3, Acts 1991-635, 1997-645, and 1999-590.

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## ***Purposes of Bonds***

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### **State Industrial Development Authority, Series 1998**

Issue Date: February 1, 1998

Issued: \$10,000,000.00

The sources and uses of the funds for the Series 1998 Bonds were not shown in the official statements; however, there was an original issue discount of an undetermined amount. The Series 1998 Bonds were issued for the purpose of making grants to counties, municipalities, local industrial development boards and authorities, economic development councils and authorities, airport authorities and port authorities organized as public corporations in the State for use by them in making surveys to determine suitable industrial site locations, in making surveys to determine the availability of labor in the localities, for the preparation of industrial sites in the localities, or for a combination of these uses; or to refund bonds of the Authority issued for such purposes.

### **Revenues Pledged for Payment**

The Series 1998 Bonds will be limited obligations of the Authority payable solely from and secured by a pledge and assignment of the receipts from certain license or privilege taxes levied on cigarettes pursuant to Article 1 of Chapter 25 of Title 40 of the *Code of Alabama 1975* and the excise tax levied on cigarettes in Article 2 of Chapter 25 of Title 40 of the *Code of Alabama 1975* (page 2 of the Official Statement).

### **Legal Authority:**

The *Code of Alabama 1975*, Sections 41-10-20 through 41-10-44.3, Acts 1991-635 and 1997-645.

### **Alabama Mental Health Finance Authority, Series 2005**

Issue Date: June 1, 2005

Issued: \$26,595,000.00

Total Issuance Costs: \$291,898.68

% of Issuance Costs to Total Bonds Issued: 1.10%

#### **Sources of Funds:**

Principal Amount of Bonds	\$26,595,000.00
Bond Premium	808,042.45
Authority Moneys	7,308,543.00
Total Sources	<u>\$34,711,585.45</u>

#### **Uses of Funds:**

Refunding of Refunded Bonds	\$34,419,686.77
Issuance Costs	291,898.68
Total Uses	<u>\$34,711,585.45</u>

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## ***Purposes of Bonds***

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The Series 2005 Bonds were issued in order to refund all of the outstanding Series 1995 Bonds. The Series 1995 Bonds were issued for the purpose of financing the costs of acquiring, constructing, installing, and equipping mental health facilities in the State, including one or more of the following: hospitals and other facilities of any kind for the treatment and care of the mentally ill and mentally retarded; regional or community-based mental health centers; regional or community based facilities for treatment and care of the mentally ill or the mentally retarded; regional or community-based centers for the treatment of alcoholism or drug addiction; and improvements to existing state hospitals or other facilities for the treatment and care of the mentally ill and the mentally retarded other than those facilities financed through the issuance of the Series 1989 Bonds and to refund the outstanding Series 1989 Bonds.

### ***Revenues Pledged for Payment***

The principal of, premium, if any, and interest on the Series 2005 Bonds are payable solely from, and each Series 2005 Bond is secured pro rata by an irrevocable pledge of so much as may be necessary for that purpose of, (a) the receipts from the taxes levied in respect of the sales, storage, use or other consumption of cigarettes by Sections 40-25-2 and 40-25-41 of the ***Code of Alabama 1975*** (the Cigarette Tax) that are required to be distributed to the Authority in accordance with the provisions of Section 40-25-23 of the ***Code of Alabama 1975***, and (b) the receipts from the tax levied in respect of the sales of spirituous or vinous liquors (the Liquor Tax) by Section 28-3-203 of the ***Code of Alabama 1975*** (page 3 of the Official Statement).

### ***Legal Authority:***

Act 1988-475 as amended by Act 1988-862, Acts of Alabama 1988.

### ***Alabama 21<sup>st</sup> Century Authority, Series 2001***

Issue Date: December 1, 2001

Issued: \$103,760,000.00

Total Insurance Costs: \$1,774,029.00

% of Issuance Costs to Total Bonds Issued: 1.71%

#### Sources of Funds:

Principal Amount of Bonds	\$103,760,000.00
Annual Excess Fund Transfer	755,583.00
Bond Premium	2,487,146.00
Total Sources	<u>\$107,002,729.00</u>

#### Uses of Funds:

Project Funds	\$ 94,097,116.00
Reserve Fund	11,131,584.00
Underwriter's Discount	613,334.00
Issuance Costs	1,160,695.00
Total Uses	<u>\$107,002,729.00</u>

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## *Purposes of Bonds*

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The Series 2001 Bonds were issued for the purpose of providing funds (i) to make grants for the benefit of certain eligible companies in order to facilitate various economic development projects located in the State and (ii) to provide funds for the improvement of flood levies in Geneva and Elba, Alabama. Companies whose projects will benefit from the proceeds of the Series 2001 Bonds include American Honda Motor Co., Inc., Mercedes-Benz U. S. International, Inc., Toyota Motor Manufacturing, Alabama, Inc., Teksid Aluminum Components, Inc., CRH North America, Inc., Sykes, Inc., The Boeing Company and Bunkhouse Conversion, Inc.

### **Revenues Pledged for Payment**

A Master Settlement Agreement (MSA) was entered into on November 23, 1998 among the attorneys of 46 States (including Alabama) and the 4 largest United States tobacco manufacturers (Philip Morris, R. J. Reynolds, Brown and Williamson Corporation, and Lorillard Tobacco Companies). Under the MSA, the State of Alabama is entitled to 1.6161308% of the initial payments and Annual Payments and 0.7549361% of the Strategic Fund Payments made by Participating Manufacturers (PM) under the MSA (page S-2 of the Official Statement). The amounts to be paid to the Settling States are amounts ranging from \$2.4 billion in 1998 to \$9 billion in 2018 and thereafter (page S-3 of the Official Statement) – the payments are called Tobacco Settlement Revenues (TSRs). The primary source of payment of the Series 2001 Bonds is the receipt of TSRs in each fiscal year (page 1 of the Official Statement). All TSRs received by the State are required to be deposited into the 21<sup>st</sup> Century Fund, and the Authority has the power to invest this money and direct the investments for the purposes in the enabling law. The payment for debt service is the first money that is to be used from the 21<sup>st</sup> Century Fund in a fiscal year (pages 59-60 of the Official Statement).

Bonds issued by the authority shall be solely and exclusively an obligation of the authority and shall not create an obligation or debt of the state. Such bonds shall not be general obligations of the authority but shall be payable solely from one or more of the following sources: (1) Appropriated funds. (2) The income or proceeds realized by the authority under any mortgage or security granted to the authority. (3) Amounts derived from any letter of credit, insurance policy, or other form of credit enhancement applicable to the bonds. (4) Any reserve or other fund established for such purpose by the authority. (5) Any earnings on the proceeds of bonds invested by the authority pending their disbursement. (6) Any other revenues that may hereafter be available to the authority (*Code of Alabama 1975*, Section 41-10-626).

The bonds authorized hereby will be payable solely out of and secured by a pledge and assignment of tobacco revenues held in the Alabama 21<sup>st</sup> Century Fund (*Code of Alabama 1975*, Section 41-10-671).

### **Legal Authority:**

The *Code of Alabama 1975*, Section 41-10-626, and Act 2001-691.

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## ***Purposes of Bonds***

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### **Alabama 21<sup>st</sup> Century Authority, Series 2000**

Issue Date: September 1, 2000

Issued: \$50,000,000.00

Total Issuance Costs: \$1,226,697.00

% of Issuance Costs to Total Bonds Issued: 1.55%

#### Sources of Funds:

Principal Amount of Bonds	\$50,000,000.00
Pledged Revenue Transfer	7,153,000.00
Less: Original Issue Discount	(123,303.00)
Total Sources	<u>\$57,029,697.00</u>

#### Uses of Funds:

Project Funds	\$55,803,000.00
Underwriter's Discount	450,000.00
Issuance Costs	776,697.00
Total Uses	<u>\$57,029,697.00</u>

The Series 2000 Bonds were issued for the purpose of providing moneys to finance a portion of the costs of acquisition of a site in Talladega County, Alabama, and infrastructure improvements thereof (roads, sewers, water lines, drainage, etc.), in preparation for conveyance of the improved site to American Honda Motor Co., Inc. for its construction of the Plant, the costs of acquiring, constructing, and equipping a public training facility, and Training Costs incurred in a program to be administered by Alabama Industrial Development Training, a public corporation and instrumentality of the State. The remaining portion of the costs of the Bond Financed Facilities will be financed from other public and private funds.

### **Revenues Pledged for Payment**

The entire 2000 Official Statement was not available for review, so information in the paragraph below came from the 2001 Official Statement except as noted.

A Master Settlement Agreement (MSA) was entered into on November 23, 1998 among the attorneys of 46 States (including Alabama) and the 4 largest United States tobacco manufacturers (Philip Morris, R. J. Reynolds, Brown and Williamson Corporation, and Lorillard Tobacco Companies). Under the MSA, the State of Alabama is entitled to 1.6161308% of the initial payments and Annual Payments and 0.7549361% of the Strategic Fund Payments made by Participating Manufacturers (PM) under the MSA (page S-2 of the 2001 Official Statement). The amounts to be paid to the Settling States are amounts ranging from \$2.4 billion in 1998 to \$9 billion in 2018 and thereafter (page S-3 of the 2001 Official Statement) – the payments are called Tobacco Settlement Revenues (TSRs). The primary source of payment of the Series 2000 Bonds is the receipt of TSRs in each fiscal year (page 1 of the 2000 Official Statement).

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## ***Purposes of Bonds***

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Bonds issued by the authority shall be solely and exclusively an obligation of the authority and shall not create an obligation or debt of the state. Such bonds shall not be general obligations of the authority but shall be payable solely from one or more of the following sources: (1) Appropriated funds. (2) The income or proceeds realized by the authority under any mortgage or security granted to the authority. (3) Amounts derived from any letter of credit, insurance policy, or other form of credit enhancement applicable to the bonds. (4) Any reserve or other fund established for such purpose by the authority. (5) Any earnings on the proceeds of bonds invested by the authority pending their disbursement. (6) Any other revenues that may hereafter be available to the authority (*Code of Alabama 1975*, Section 41-10-626).

The bonds authorized hereby will be payable solely out of and secured by a pledge and assignment of tobacco revenues held in the Alabama 21<sup>st</sup> Century Fund (*Code of Alabama 1975*, Section 41-10-651).

### **Legal Authority:**

The *Code of Alabama 1975*, Section 41-10-626, and Act 1999-391.

### **Tennessee Valley Exhibit Commission, Series 2003**

Issue Date: May 1, 2003

Issued: \$2,610,000.00

Total Issuance Costs: \$77,350.90

% of Issuance Costs to Total Bonds Issued: 2.96%

#### Sources of Funds:

Principal Amount of Bonds	\$2,610,000.00
Less: Original Issue Discount	(13,524.10)
Total Sources	<u><u>\$2,596,475.90</u></u>

#### Uses of Funds:

Refund Series 1992 Bonds	\$2,309,125.00
Retire Outstanding Indebtedness	210,000.00
Issuance Costs	77,350.90
Total Uses	<u><u>\$2,596,475.90</u></u>

The Series 2003 Bonds were issued for the purpose of refunding, in advance of their respective maturities, the Series 1992 Bonds. The said refunding will allow the Commission to realize a savings in its net interest cost, and therefore to pay and retire certain outstanding indebtedness of the Commission. The Series 1992 Bonds were issued in order to refund certain outstanding bonds of the Commission that had been issued in 1998 and 1990 calendar years to provide funds for payment of the cost of constructing and equipping an exhibit facility located in the City of Florence, Alabama (the "Project") for the display of exhibits pertaining to energy related hardware and technology, navigational river and tributary development, agricultural technology, and the development of the Tennessee Valley Authority. The Project also contains dining and other related facilities for public use, as well as administrative offices of the Commission.

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## ***Purposes of Bonds***

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The Commission has agreed to sell the Project to the Retirement Systems of Alabama, an agency of the State of Alabama.

The Commission has also incurred indebtedness in the approximate amount of \$210,000 (the “outstanding indebtedness”) for the purpose of paying certain of the costs of operating and maintaining the Project. A portion of the proceeds will be used to retire the outstanding indebtedness.

The Series 1992 Bonds were issued for the purpose of refunding, in advance of their respective maturities, the Series 1988 and Series 1990 Bonds.

### **Revenues Pledged for Payment**

The Series 2003 Bonds will be payable first from the net revenues derived from the Project (construction and equipping an exhibit facility in Florence, Alabama), and then from the revenues retained by the State of Alabama from in-lieu-of-taxes payments made to the State of Alabama by the Tennessee Valley Authority pursuant to Section 831(1), Title 16, United States Code (the “State TVA Payments”) following the distribution of a portion of such payments to certain counties in the State of Alabama as provided in Section 40-28-2 of the ***Code of Alabama 1975***. The Commission expects to sell the Project to Retirement Systems of Alabama shortly after the issuance of the Series 2003 Bonds. For that reason no net revenues from the Project will be available for payment of the Series 2003 Bonds and the Series 2003 Bonds will therefore be payable solely from the State TVA Payments (pages 1-2 of the Official Statement).

### **Legal Authority:**

The ***Code of Alabama 1975***, Article 30, Chapter 9, Title 41.

### **Alabama Revolving Loan Fund Authority, Series 2000**

Issue Date: March 1, 2000

Issued: \$12,000,000.00

Total Issuance Costs: \$211,630.00

% of Issuance Costs to Total Bonds Issued: 1.76%

#### **Sources of Funds:**

Principal Amount of Bonds	\$12,000,000.00
Less: Original Issue Discount	(46,920.00)
Total Sources	<u>\$11,953,080.00</u>

#### **Uses of Funds:**

Project Funds	\$11,741,450.00
Underwriter's Discount	83,880.00
Issuance Costs	127,750.00
Total Uses	<u><u>\$11,953,080.00</u></u>



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## ***Purposes of Bonds***

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The Series 2000 Bonds were issued for the purposes of providing funds for grants to the several existing Regional Planning and Development Commissions. The grants may be combined with, or used to facilitate access to, either federal funds or foundation grants or loans, or to leverage private sector financing that may be available for initial or seed capital, long or short term fixed asset or equipment loans or working capital for local economic development projects for improving, developing, or financing new, existing, or expanding business or industry, to preserve or create employment.

### **Revenues Pledged for Payment**

The Enabling Law provides for the appropriation and irrevocable pledge of an amount of receipts from the Pledged Tax necessary for the Authority to pay principal of and interest on such bonds, including the Series 2000 Bonds, as the Authority may issue under the Enabling Law. The Pledged Tax is a privilege or license tax against every provider of cellular radio telecommunication services doing business in the State. The amount of the Pledged Tax is the lesser of 4%, or the amount of tax imposed under the Utility Gross Receipts Tax, Section 40-21-82, *Code of Alabama 1975*, as amended, of such providers' gross sales or gross receipts from the monthly charges from the furnishing of cellular services within the State (page 8 of the Official Statement). The *Code of Alabama 1975*, Section 40-21-121 also authorizes the cellular telephone tax and the *Code of Alabama 1975*, Section 11-85-108 authorizes the money to be used to pay the bond principal and interest.

### **Legal Authority:**

*Constitution of Alabama 1901*, Amendment Number 616, and the *Code of Alabama 1975*, Sections 11-85-100 through 11-85-111.

### **Alabama Housing Finance Authority, Mortgage Revenue Bonds**

The Alabama Housing Finance Authority is a public corporation and an instrument of the State of Alabama. One of the Authority's purposes is to issue bonds and use the proceeds to finance the acquisition of residential housing for persons and families of low and moderate income. The Authority issues these bonds to make loans to low income families and first-time buyers at below market interest rates.

The Authority has the power to purchase mortgage loans from mortgage lenders and to contract with mortgage lenders with regard to the origination and servicing of mortgage loans. The Authority is also empowered to issue and sell bonds in order to provide funds for any of its corporate purposes, to grant security interests in any or all of its mortgage loans and mortgages, and to pledge revenues from which its bonds are payable. In addition, the Authority may take such other action as may be necessary or desirable to accomplish any purpose for which the Authority is organized or to exercise any power granted. There are no debt ceilings imposed by State law on the Authority.

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## *Purposes of Bonds*

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These bonds are variable rate bonds and bear interest at a weekly rate set by the Remarketing Agent.

### **Revenues Pledged for Payment**

Bonds issued by the authority shall be payable solely out of revenues or property of the authority specified in the resolutions authorizing the issuance of such bonds. To the extent permitted by any contracts with the holders of outstanding bonds and any other contractual obligations or requirements, the authority may pledge any, or all, of its revenues or mortgages or assign any, or all, of its assets (whether real or personal and whether tangible or intangible) to secure the payment of any of its bonds. Revenues and property out of which bonds may be payable shall include, without limitation: (1) Payments of principal, interest, premiums and penalties in respect to mortgage loans, loans to mortgage lenders, mortgages and mortgaged property; (2) Proceeds referable to the foreclosure of mortgages or otherwise realized, by any and all means, upon any mortgaged property; (3) Payments made in redemption of the equity of such mortgages or similar payments with respect to any redemption of mortgaged property; (4) Proceeds from the leasing or sale of property which was formerly mortgaged property and which was acquired in the process of enforcing mortgage loans or loans to mortgage lenders; (5) Proceeds from the sale of mortgage loans, loans to mortgage lenders, mortgages and mortgaged property; (6) Insurance proceeds referable to mortgage loans, loans to mortgage lenders, mortgages and mortgaged property including, but without limitation, proceeds from casualty insurance and mortgage payment guarantee insurance; (7) Proceeds from bond insurance; (8) Grants or subsidies available in connection with any of the foregoing; (9) Any of the foregoing sources of revenues as may be designated in the proceedings of the board pursuant to which the bonds shall be authorized to be issued (*Code of Alabama 1975*, Section 24-1A-6).

### **Legal Authority:**

The *Code of Alabama 1975*, Section 24-1A-6.

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## *Purposes of Bonds*

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### Alabama Water Pollution Control Authority, Series 2004-A

Issue Date: April 1, 2004

Issued: \$34,580,000.00

Total Issuance Costs: \$1,031,894.60

% of Issuance Costs to Total Bonds Issued: 2.35%

#### Sources of Funds:

Principal Amount of Bonds	\$34,580,000.00
Liquidation of Existing Reserves	32,152,689.55
Loan Payoffs	21,963,888.96
Master State Revolving Fund Contribution	3,480,258.71
Contribution from Authority	1,787,863.90
Premium	1,377,029.00
Accrued Interest	74,677.78
Total Sources	<u>\$95,416,407.90</u>

#### Uses of Funds:

Deposit to Escrow Account - Cash	\$57,596,837.22
Deposit to Escrow Account - Bond Proceeds	31,470,134.40
Deposit to Main Debt Service Reserve Account	3,455,000.00
Deposit to Loan Subsidy Account of DS Reserve	1,787,863.90
Deposit to Interest Account of Debt Service Fund	74,677.78
Underwriter's Discount	218,545.60
Issuance Costs	813,349.00
Total Uses	<u>\$95,416,407.90</u>

The Series 2004-A Bonds were issued for the purpose of refinancing, on an advance basis, the Authority's Revolving Fund Loan Bonds, Series 1993 and the Authority's Revolving Fund Loan Bonds, Series 1994. The Series 1993 Bonds were fully refunded on August 15, 2004 and the Series 1994 Bonds were fully refunded on August 15, 2005.

The Series 1993 and Series 1994 Bonds were issued for the purpose of making loans to local governmental units in the State to provide funds to pay certain costs of planning, designing, acquiring, or constructing wastewater treatment and related facilities. The following governmental units received loans from the Series 1993 and Series 1994 Bonds: City of Alexander City, City of Chickasaw, City of Cullman, City of Decatur, Board of Water and Sewer Commissioners of the City of Mobile, Utilities Board of the City of Oneonta, and the Water Works and Sewer Board of the City of Wetumpka.

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## ***Purposes of Bonds***

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### **Revenues Pledged for Payment**

The Indenture provides that payment of the principal of (and premium, if any) and interest on the Series 2004-A Bonds is to be made from and is secured by a pledge and assignment of (a) amounts received by the Authority from each Loan Recipient as repayment of each Pledged Loan made under the Indenture, exclusive of administrative fees payable to Alabama Department of Environmental Management (the "Loan Payments"), (b) amounts on deposit in and interest earned on the special funds created in the Indenture (except the Operating Fund and the Rebate Fund and subject to the right of the Authority to withdraw from the Indenture excess Loan Payments not needed to pay principal of and interest on the Bonds), (c) amounts received from the optional prepayment of Pledged Loans, and (d) amounts received from the sale of any Pledged Loan subject to the terms and conditions set forth in the Indenture (pages 7-8 of the Official Statement).

### **Legal Authority:**

The *Code of Alabama 1975*, Section 22-34-7.

### **Alabama Water Pollution Control Authority, Series 2003-C**

Issue Date: August 1, 2003

Issued: \$11,385,000.00

Total Issuance Costs: \$437,549.50

% of Issuance Costs to Total Bonds Issued: 3.84%

#### Sources of Funds:

Principal Amount of Bonds	\$11,385,000.00
Less: Original Issue Discount	(35,470.70)
Transfers from Reserve Fund for Refunded Bonds	1,279,433.70
Contribution from Authority	3,068.94
Total Sources	<u>\$12,632,031.94</u>

#### Uses of Funds:

Transfer to Trustee for Refunded Bonds	\$11,055,000.00
Deposit to Main Debt Service Reserve Account	1,135,000.00
Deposit to Loan Subsidy Account	4,482.44
Underwriter's Discount	75,141.00
Issuance Costs	362,408.50
Total Uses	<u>\$12,632,031.94</u>

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## ***Purposes of Bonds***

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The Series 2003-C Bonds were issued for the purpose of refinancing the Authority's Revolving Fund Loan Bonds, Series 1992-B.

The Series 1992-B Bonds were issued for the purpose of making loans to local governmental units in the State to provide funds to pay certain costs of planning, designing, acquiring, or constructing wastewater treatment and related facilities. The following governmental units received loans from the Series 1992-B Bond proceeds: City of Demopolis – Water Works and Sewer Board, City of Northport, City of Phenix City, and the City of Madison – Water Works and Wastewater Board.

### ***Revenues Pledged for Payment***

Proceeds from the Authority Loans, together with other amounts on deposit under the Indenture, will be the sole source of payment of principal, premium, if any, and interest on the Series 2003-C Bonds (page 1 of the Official Statement). The Indenture provides that payment of the principal of (and premium, if any) and interest on the Series 2003-C Bonds is to be made from and is secured by a pledge and assignment of (a) amounts received by the Authority from each Loan Recipient as repayment of each Pledged Loan made under the Indenture, exclusive of administrative fees payable to Alabama Department of Environmental Management (the "Loan Payments"), (b) amounts on deposit in and interest earned on the special funds created in the Indenture (except the Operating Fund and the Rebate Fund and subject to the right of the Authority to withdraw from the Indenture excess Loan Payments not needed to pay principal of and interest on the Bonds), (c) amounts received from the optional prepayment of Pledged Loans, and (d) amounts received from the sale of any Pledged Loan subject to the terms and conditions set forth in the Indenture (pages 7-8 of the Official Statement).

### ***Legal Authority:***

The *Code of Alabama 1975*, Section 22-34-7.

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## ***Purposes of Bonds***

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### **Alabama Water Pollution Control Authority, Series 2003-B**

Issue Date: January 1, 2003

Issued: \$52,650,000.00

Total Issuance Costs: \$1,286,853.55

% of Issuance Costs to Total Bonds Issued: 2.44%

#### **Sources of Funds:**

Principal Amount of Bonds	\$52,650,000.00
Bond Premium	942,206.05
Transfers from Reserve Fund for Refunded Bonds	6,038,749.05
Contribution from Authority	2,755,758.01
Total Sources	<u>\$62,386,713.11</u>

#### **Uses of Funds:**

Transfer to Trustee for Refunded Bonds	\$55,726,523.75
Bond Insurance Premium	521,692.25
Deposit to Bond Proceeds Account	5,265,000.00
Deposit to Loan Subsidy Account	108,336.11
Underwriter's Discount	460,161.00
Issuance Costs	305,000.00
Total Uses	<u>\$62,386,713.11</u>

The Series 2003-B Bonds were issued for the purpose of refinancing the Authority's Revolving Fund Loan Bonds, Series 1992-A.

The Series 1992-A Bonds were issued for the purpose of providing funds to the Authority to enable it to make a loan to Jefferson County, Alabama in order to provide funds to the County to pay certain costs of planning, designing, acquiring, or constructing wastewater treatment and related facilities eligible for financial assistance under federal law and to reimburse the County for certain expenditures heretofore made by the County for such purposes.

### **Revenues Pledged for Payment**

Proceeds from the Authority Loan, together with other amounts on deposit under the Indenture, will be the sole source of payment of principal, premium, if any, and interest on the Series 2003-B Bonds (page 1 of the Official Statement). The Indenture provides that payment of the principal of (and premium, if any) and interest on the Series 2003-B Bonds is to be made from and is secured by a pledge and assignment of (a) amounts received by the Authority from each Loan Recipient as repayment of each Pledged Loan made under the Indenture, exclusive of administrative fees payable to Alabama Department of Environmental Management (the "Loan Payments"), (b) amounts on deposit in and interest earned on the special funds created in the Indenture (except the Operating Fund and the Rebate Fund and subject to the right of the Authority to withdraw from the Indenture excess Loan Payments not needed to pay principal of and interest on the Bonds), (c) amounts received from the optional prepayment of the Authority Loan, and (d) amounts received from the sale of the Authority Loan subject to the terms and conditions set forth in the Indenture (page 7 of the Official Statement).

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## *Purposes of Bonds*

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### Legal Authority:

The *Code of Alabama 1975*, Section 22-34-7.

### Alabama Water Pollution Control Authority, Series 2003-A

Issue Date: January 1, 2003

Issued: \$30,985,000.00

Issuance Costs: \$590,617.47

% of Issuance Costs to Total Bonds Issued: 1.91%

#### Sources of Funds:

Principal Amount of Bonds	\$30,985,000.00
Less: Original Issue Discount	(112,933.95)
Contribution from Authority	9,081,909.95
Total Sources	<u>\$39,953,976.00</u>

#### Uses of Funds:

Deposit to Project Fund	\$23,235,202.63
Deposit to Loan Subsidy Account	8,491,292.48
Deposit to Capitalized Interest Account	3,951,245.95
Deposit to Bond Proceeds Account	3,095,000.00
Deposit to Non-Asset Bond Account	590,617.47
Issuance Costs	215,000.00
Underwriter's Discount	190,619.00
Bond Insurance Premium	184,998.47
Total Uses	<u>\$39,953,976.00</u>

The Series 2003-A Bonds were issued for the purpose of making loans to local governmental units in the State to provide funds to pay certain costs of planning, designing, acquiring, or constructing wastewater treatment and related facilities eligible for financial assistance under federal law. The following governmental unit received loans from the Series 2003-A Bond proceeds: City of Tuscaloosa.

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## *Purposes of Bonds*

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### *Revenues Pledged for Payment*

Tuscaloosa is not obligated to pay any principal of or interest on the Bonds. The loan payments required to be made by Tuscaloosa pursuant to the Loan Documents will be less than the principal and interest on the Series 2003-A Bonds (page 2 of the Official Statement). The Indenture provides that payment of the principal of (and premium, if any) and interest on the Series 2003-A Bonds is to be made from and is secured by a pledge and assignment of (a) amounts received by the Authority from each Loan Recipient as repayment of each Pledged Loan made under the Indenture, exclusive of administrative fees payable to Alabama Department of Environmental Management (the "Loan Payments"), (b) amounts on deposit in and interest earned on the special funds created in the Indenture (except the Operating Fund and the Rebate Fund and subject to the right of the Authority to withdraw from the Indenture excess Loan Payments not needed to pay principal of and interest on the Bonds), (c) amounts received from the optional prepayment of Authority Loans, and (d) amounts received from the sale of any Authority Loans subject to the terms and conditions set forth in the Indenture (page 9 of the Official Statement).

### *Legal Authority:*

The *Code of Alabama 1975*, Section 22-34-7.

### *Alabama Water Pollution Control Authority, Series 2002-B*

Issue Date: February 1, 2002

Issued: \$58,425,000.00

Total Issuance Costs: \$833,206.47

% of Issuance Costs to Total Bonds Issued: 1.43%

#### Sources of Funds:

Principal Amount of Bonds	\$58,425,000.00
Bond Premium	2,270,270.95
Transfer from 1991 Reserve Fund	7,250,407.95
Contribution from Authority	410,000.00
Total Sources	<u>\$68,355,678.90</u>

#### Uses of Funds:

Transfer to Trustee for Refunded Bonds	\$61,574,968.01
Deposit to Bond Proceeds Account	5,840,000.00
Deposit to Loan Subsidy Account	107,504.42
Issuance Costs	635,145.72
Underwriter's Discount	198,060.75
Total Uses	<u>\$68,355,678.90</u>



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## ***Purposes of Bonds***

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The Series 2002-B Bonds were issued to refund the Authority's Revolving Fund Loan Bonds, Series 1991.

The Series 1991 Bonds were issued for the purpose of making loans to local governmental units in the State to provide funds to pay certain costs of planning, designing, acquiring, or constructing wastewater treatment and related facilities eligible for financial assistance under federal law. The following governmental units received loans from the Series 1991 Bond proceeds: City of Tuscaloosa and the City of Bridgeport – Utilities Board.

### **Revenues Pledged for Payment**

Proceeds from the Authority Loan, together with other amounts on deposit under the Indenture, will be the sole source of payment of principal, premium, if any, and interest on the Series 2002-B Bonds (page 1 of the Official Statement). The Indenture provides that payment of the principal of (and premium, if any) and interest on the Series 2002-B Bonds is to be made from and is secured by a pledge and assignment of (a) amounts received by the Authority from the City as repayment of the Authority, exclusive of administrative fees payable to Alabama Department of Environmental Management (the "Loan Payments"), (b) amounts on deposit in and interest earned on the special funds created in the Indenture (except the Operating Fund and the Rebate Fund and subject to the right of the Authority to withdraw from the Indenture excess Loan Payments not needed to pay principal of and interest on the Bonds), (c) amounts received from the optional prepayment of the Authority Loan, and (d) amounts received from the sale of the Authority Loan subject to the terms and conditions set forth in the Indenture (page 4 of the Official Statement).

### **Legal Authority:**

The *Code of Alabama 1975*, Section 22-34-7.

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## ***Purposes of Bonds***

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### **Alabama Water Pollution Control Authority, Series 2002-A**

Issued: January 15, 2002

Issued: \$32,555,000.00

Total Issuance Costs: \$724,668.14

% of Issuance Costs to Total Bonds Issued: 2.23%

#### **Sources of Funds:**

Principal Amount of Bonds	\$32,555,000.00
Less: Original Issue Discount	(175,105.30)
Total Sources	<u>\$32,379,894.70</u>

#### **Uses of Funds:**

Project Funds	\$27,071,101.83
Deposit to Bond Proceeds Account	2,515,000.00
Deposit to Capitalized Interest Account	2,069,124.73
Issuance Costs	607,470.14
Underwriter's Discount	117,198.00
Total Uses	<u>\$32,379,894.70</u>

The Series 2002-A Bonds were issued for the purpose of making loans to local governmental units in the State to provide funds to pay certain costs of planning, designing, acquiring, or constructing wastewater treatment and related facilities eligible for financial assistance under federal law. The following governmental units received loans from the Series 2002-A Bond proceeds: City of Andalusia, City of Cullman, City of Evergreen, City of Northport, City of Pell City, Hartselle Utilities, Municipal Utilities Board of Albertville, the Utilities Board of Sylacauga, the Water Works and Sewer Board of the City of Guntersville, Inc.

### **Revenues Pledged for Payment**

The Loan Recipients are not obligated to pay any principal of or interest on the Series 2002-A Bonds. The Loan Payments required to be made by the Loan Recipients pursuant to the Loan Documents will be less than the principal of and interest on the Series 2002-A Bonds (page 2 of the Official Statement). The Indenture provides that payment of the principal of (and premium, if any) and interest on the Series 2002-A Bonds is to be made from and is secured by a pledge and assignment of (a) amounts received by the Authority from each Loan Recipient as repayment of each Authority Loan made under the Indenture, exclusive of administrative fees payable to Alabama Department of Environmental Management (the "Loan Payments"), (b) amounts on deposit in and interest earned on the special funds created in the Indenture (except the Operating Fund and the Rebate Fund and subject to the right of the Authority to withdraw from the Indenture excess Loan Payments not needed to pay principal of and interest on the Bonds), (c) amounts received from the optional prepayment of Authority Loans, and (d) amounts received from the sale of any Authority Loans subject to the terms and conditions set forth in the Indenture (page 6 of the Official Statement).

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## *Purposes of Bonds*

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### Legal Authority:

The *Code of Alabama 1975*, Section 22-34-7.

### Alabama Water Pollution Control Authority, Series 2000

Issue Date: December 1, 2000

Issued: \$61,795,000.00

Total Issuance Costs: \$1,139,269.00

% of Issuance Costs to Total Bonds Issued: 1.84%

#### Sources of Funds:

Principal Amount of Bonds	\$61,795,000.00
Bond Premium	191,488.00
2000 Federal Grant	10,954,644.00
State Contribution	725,335.00
State Revolving Fund	1,261,981.00
Total Sources	<u>\$74,928,448.00</u>

#### Uses of Funds:

Project Funds	\$51,432,262.00
Deposit to Loan Subsidy Account	10,954,644.00
Deposit to Bond Proceeds Account	5,125,000.00
Deposit to Capitalized Interest Account	5,015,292.00
Deposit to Non-Asset Bond Account	1,261,981.00
Issuance Costs	712,883.00
Underwriter's Discount	426,386.00
Total Uses	<u>\$74,928,448.00</u>

The Series 2000 Bonds were issued for the purpose of financing loans to local governmental entities in the State to pay certain costs of planning, designing, acquiring, or constructing improvements to the sanitary sewer systems owned and operated by the local governmental entities eligible for financial assistance under federal law. The following governmental units received loans from the Series 2000 Bond proceeds: City of Dothan, City of Huntsville, City of Madison – Water and Wastewater Board, and the City of Mobile – Board of Water and Sewer Commissioners.

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## ***Purposes of Bonds***

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### **Revenues Pledged for Payment**

The Loan Recipients are not obligated to pay any principal of or interest on the Series 2000 Bonds. The Loan Payments required to be made by the Loan Recipients pursuant to the Loan Documents will be less than the principal of and interest on the Series 2000 Bonds (page 2 of the Official Statement). The Indenture provides that payment of the principal of (and premium, if any) and interest on the Series 2000 Bonds is to be made from and is secured by a pledge and assignment of (a) amounts received by the Authority from each Loan Recipient as repayment of each Authority Loan made under the Indenture, exclusive of administrative fees payable to Alabama Department of Environmental Management (the "Loan Payments"), (b) amounts on deposit in and interest earned on the special funds created in the Indenture (except the Operating Fund and the Rebate Fund and subject to the right of the Authority to withdraw from the Indenture excess Loan Payments not needed to pay principal of and interest on the Bonds), (c) amounts received from the optional prepayment of Authority Loans, and (d) amounts received from the sale of any Authority Loans subject to the terms and conditions set forth in the Indenture (page 6 of the Official Statement).

### **Legal Authority:**

The *Code of Alabama 1975*, Section 22-34-7.

### **Alabama Water Pollution Control Authority, Series 1999**

Issue Date: December 1, 1999

Issued: \$60,430,000.00

Total Issuance Costs: \$1,009,899.00

% of Issuance Costs to Total Bonds Issued: 1.67%

#### Sources of Funds:

Principal Amount of Bonds	\$60,430,000.00
Less: Original Issue Discount	(429,294.00)
State Revolving Fund	12,712,307.00
Total Sources	<u>\$72,713,013.00</u>

#### Uses of Funds:

Project Funds	\$51,711,289.00
Deposit to Loan Subsidy Account	12,712,307.00
Deposit to Bond Proceeds Account	5,170,000.00
Deposit to Capitalized Interest Account	2,109,518.00
Bond Insurance Premium	381,212.00
Issuance Costs	251,000.00
Underwriter's Discount	377,687.00
Total Uses	<u>\$72,713,013.00</u>

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## ***Purposes of Bonds***

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The Series 1999 Bonds were issued for the purpose of making loans to local governmental entities in the State to provide funds to pay certain costs of planning, designing, acquiring, or constructing wastewater treatment and related facilities eligible for financial assistance under federal law. The following governmental units received loans from the Series 1999 Bond proceeds: City of Decatur, City of Dothan, City of Florence, and the City of Huntsville.

### **Revenues Pledged for Payment**

The Loan Recipients are not obligated to pay any principal of or interest on the Series 1999 Bonds. The Loan Payments required to be made by the Loan Recipients pursuant to the Loan Documents will be less than the principal of and interest on the Series 1999 Bonds (page 2 of the Official Statement). The Indenture provides that payment of the principal of (and premium, if any) and interest on the Series 1999 Bonds is to be made from and is secured by a pledge and assignment of (a) amounts received by the Authority from each Loan Recipient as repayment of each Authority Loan to such Loan Recipient (the "Loan Repayments"), (b) amounts on deposit in and interest earned on the special funds created in the Indenture (except the Operating Fund and the Rebate Fund and subject to the right of the Authority to withdraw from the Indenture excess Loan Payments not needed to pay principal of and interest on the Bonds), (c) amounts received from the optional prepayment of Authority Loans, and (d) amounts received from the sale of any Authority Loans subject to the terms and conditions set forth in the Indenture (page 6 of the Official Statement).

### **Legal Authority:**

The *Code of Alabama 1975*, Section 22-34-7.

### **Alabama Water Pollution Control Authority, Series 1998-B**

Issue Date: December 1, 1998

Issued: \$61,660,000.00

Total Issuance Costs: \$596,070.96

% of Issuance Costs to Total Bonds Issued: 0.97%

#### **Sources of Funds:**

Principal Amount of Bonds	\$61,660,000.00
Less: Original Issue Discount	(194,124.80)
Less: Bid Discount	(423,295.90)
State Revolving Fund	10,613,157.16
Total Sources	<u>\$71,655,736.46</u>

#### **Uses of Funds:**

Project Funds	\$53,192,374.88
Deposit to Loan Subsidy Account	10,613,157.16
Deposit to Bond Proceeds Account	4,825,000.00
Deposit to Capitalized Interest Account	2,429,133.46
Bond Insurance Premium	357,770.96
Issuance Costs	238,300.00
Total Uses	<u>\$71,655,736.46</u>

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## ***Purposes of Bonds***

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The Series 1998-B Bonds were issued for the purpose of making loans to local governmental units in the State to provide funds to pay certain costs of planning, designing, acquiring, or constructing wastewater treatment and related facilities eligible for financial assistance under federal law. The following governmental units received loans from the Series 1998-B Bond proceeds: City of Florence; City of Huntsville; and, the City of Pelham.

### **Revenues Pledged for Payment**

The Loan Recipients are not obligated to pay any principal of or interest on the Series 1998-B Bonds. The Loan Payments required to be made by the Loan Recipients pursuant to the Loan Documents will be less than the principal of and interest on the Series 1998-B Bonds (page 2 of the Official Statement). The Indenture provides that payment of the principal of (and premium, if any) and interest on the Series 1998-B Bonds is to be made from and is secured by a pledge and assignment of (a) amounts received by the Authority from each Loan Recipient as repayment of each Authority Loan to such Loan Recipient (the "Loan Repayments"), (b) amounts on deposit in and interest earned on the special funds created in the Indenture (except the Operating Fund and the Rebate Fund and subject to the right of the Authority to withdraw from the Indenture excess Loan Payments not needed to pay principal of and interest on the Bonds), (c) amounts received from the optional prepayment of Authority Loans, and (d) amounts received from the sale of any Authority Loans subject to the terms and conditions set forth in the Indenture (pages 6-7 of the Official Statement).

### **Legal Authority:**

The *Code of Alabama 1975*, Section 22-34-7.

### **Alabama Water Pollution Control Authority, Series 1998-A**

Issue Date: January 1, 1998

Issued: \$58,545,000.00

Total Issuance Costs: \$617,480.23

% of Issuance Costs to Total Bonds Issued: 1.05%

#### **Sources of Funds:**

Principal Amount of Bonds	\$58,545,000.00
Less: Original Issue Discount	(364,820.35)
Less: Bid Discount	(204,907.50)
State Revolving Fund	10,582,064.73
Total Sources	<u>\$68,557,336.88</u>

#### **Uses of Funds:**

Project Funds	\$53,302,429.92
Deposit to Loan Subsidy Account	9,782,426.73
Deposit to Reserve Fund	4,855,000.00
Issuance Costs	617,480.23
Total Uses	<u>\$68,557,336.88</u>

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## *Purposes of Bonds*

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The Series 1998-A Bonds were issued for the purpose of making loans to local governmental units to provide funds to pay certain costs of planning, designing, acquiring, or constructing wastewater treatment and related facilities eligible for financial assistance under federal law. The following governmental units received loans from the Series 1998-A Bond proceeds: City of Florence, City of Huntsville, City of Pelham, and City of Tuscaloosa.

### **Revenues Pledged for Payment**

The Loan Recipients are not obligated to pay any principal of or interest on the Series 1998-A Bonds. The Loan Payments required to be made by the Loan Recipients pursuant to the Loan Documents will be less than the principal of and interest on the Series 1998-A Bonds (pages 1-2 of the Official Statement). The Indenture provides that payment of the principal of (and premium, if any) and interest on the Series 1998-A Bonds is to be made from and is secured by a pledge and assignment of (a) amounts received by the Authority from each Loan Recipient as repayment of each Authority Loan to such Loan Recipient (the "Loan Repayments"), (b) amounts on deposit in and interest earned on the special funds created in the Indenture (except the Operating Fund and the Rebate Fund and subject to the right of the Authority to withdraw from the Indenture excess Loan Payments not needed to pay principal of and interest on the Bonds), (c) amounts received from the optional prepayment of Authority Loans, and (d) amounts received from the sale of any Authority Loans subject to the terms and conditions set forth in the Indenture (page 6 of the Official Statement).

### **Legal Authority:**

The *Code of Alabama 1975*, Section 22-34-7.

### **Alabama Water Pollution Control Authority Refunding Bonds, Series 1997**

Issue Date: October 1, 1997

Issued: \$59,040,000.00

Total Issuance Costs: \$742,894.00

% of Issuance Costs to Total Bonds Issued: 1.26%

#### **Sources of Funds:**

Principal Amount of Bonds	\$59,040,000.00
Less: Original Issue Discount and Bid Discount	(530,106.00)
Total Sources	<u>\$58,509,894.00</u>

#### **Uses of Funds:**

Project Funds	\$57,767,000.00
Issuance Costs	<u>742,894.00</u>
Total Uses	<u>\$58,509,894.00</u>

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## ***Purposes of Bonds***

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The Series 1997 Bonds were issued to refund the Series 1989, the Series 1990-A, and the Series 1990-B Bonds.

The Series 1989, 1990-A, and 1990-B Bonds were issued for the purpose of making loans to local governmental units in the State to provide funds to pay certain costs of planning, designing, acquiring, or constructing wastewater treatment and related facilities eligible for financial assistance under federal law. The following governmental units received loans from the Series 1989, 1990-A, and 1990-B Bond proceeds: City of Albertville, City of Mobile – Board of Water and Sewer Commissioners, City of Eufala – Board of Water Works and Sewer Board, City of Opelika (3 loans), City of Phenix City (3 loans) City of Cullman, City of Alabaster, City of Anniston – Water Works and Sewer Board (2 loans), City of Hartselle – Utilities Board, City of Fayette, City of Talladega – Water and Sewer Board (2 loans), City of Dothan, City of LaFayette, City of Boaz – Board of Water and Sewer Commissioners, City of Clanton – Water Works and Sewer Board, City of Gulf Shores – Utilities Board (2 loans), City of Union Springs – Utilities Board (2 loans), City of Opp – Utilities Board, City of Hanceville – Water Works and Sewer Board (2 loans), City of Ozark – Utilities Board.

### **Revenues Pledged for Payment**

The Loan Recipients are not obligated to pay any principal of or interest on the Series 1997 Bonds. The Loan Payments required to be made by the Loan Recipients pursuant to the Loan Documents will be less than the principal of and interest on the Series 1997 Bonds (page 1 of the Official Statement). The Indenture provides that payment of the principal of (and premium, if any) and interest on the Series 1997 Bonds is to be made from and is secured by a pledge and assignment of (a) amounts received by the Authority from the repayment of the Pledged Loans (the “Pledged Loan Repayments”), (b) amounts on deposit in and interest earned on the special funds created in the Indenture (except the Operating Fund and the Rebate Fund), (c) amounts received from the optional prepayment of Authority Loans, and (d) amounts received from the sale of any Authority Loans subject to the terms and conditions set forth in the Indenture (page 4 of the Official Statement).

### **Legal Authority:**

The *Code of Alabama 1975*, Section 22-34-7.



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## ***Purposes of Bonds***

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### **Alabama Water Pollution Control Authority, Series 1996-B**

Issue Date: November 1, 1996

Issued: \$51,975,000.00

Total Issuance Costs: \$851,538.97

% of Issuance Costs to Total Bonds Issued: 1.64%

#### **Sources of Funds:**

Principal Amount of Bonds	\$51,975,000.00
Less: Original Issue Discount	(159,108.60)
Less: Bid Discount	(339,673.78)
State Match	799,638.00
Total Sources	<u>\$52,275,855.62</u>

#### **Uses of Funds:**

Project Funds	\$42,049,020.32
Deposit to Reserve Fund	5,150,000.00
Deposit to Capitalized Interest Account	4,225,296.33
Issuance Costs	851,538.97
Total Uses	<u>\$52,275,855.62</u>

The Series 1996-B Bonds were issued for the purpose of making loans to local governmental units in the State to provide funds to pay certain costs of planning, designing, acquiring, or constructing wastewater treatment and related facilities eligible for financial assistance under federal law. The following governmental units received loans from the Series 1996-B Bond proceeds: City of Fort Payne, City of Orange Beach, City of Montgomery – Water Works and Sanitary Sewer Board, City of Dothan, City of Prattville, City of Madison – Water and Wastewater Board, and the City of Tuscaloosa.

### **Revenues Pledged for Payment**

The Loan Recipients are not obligated to pay any principal of or interest on the Series 1996-B Bonds. The Loan Payments required to be made by the Loan Recipients pursuant to the Loan Documents will be less than the principal of and interest on the Series 1996-B Bonds (page 2 of the Official Statement). The Indenture provides that payment of the principal of (and premium, if any) and interest on the Series 1996-B Bonds is to be made from and is secured by a pledge and assignment of (a) amounts received by the Authority from each Loan Recipient as repayment of the Authority Loan to such Loan Recipient (the “Loan Repayments”), (b) amounts on deposit in and interest earned on the special funds created in the Indenture (except the Operating Fund and the Rebate Fund and subject to the right of the Authority to transfer Loan Repayments from Authority Loans made with investment earnings from the Project Fund to the State Revolving Fund), (c) amounts received from the optional prepayment of Authority Loans, and (d) amounts received from the sale of any Authority Loans subject to the terms and conditions set forth in the Indenture (page 5 of the Official Statement).

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## ***Purposes of Bonds***

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### **Legal Authority:**

The *Code of Alabama 1975*, Section 22-34-7.

### **Alabama Water Pollution Control Authority, Series 1996-A**

Issue Date: January 15, 1996

Issued: \$44,690,000.00

Total Issuance Costs: \$674,818.89

% of Issuance Costs to Total Bonds Issued: 1.51%

#### Sources of Funds:

Principal Amount of Bonds	\$44,690,000.00
Less: Bid Discount	(453,574.15)
State Match	740,751.00
Total Sources	<u>\$44,977,176.85</u>

#### Uses of Funds:

Project Funds	\$37,205,774.98
Deposit to Reserve Fund	3,650,000.00
Deposit to Capitalized Interest Account	3,446,582.98
Issuance Costs	674,818.89
Total Uses	<u>\$44,977,176.85</u>

The Series 1996-A Bonds were issued for the purpose of making loans to local governmental units in the State to provide funds to pay certain costs of planning, designing, acquiring, or constructing wastewater treatment and related facilities eligible for financial assistance under federal law. The following governmental units received loans from the Series 1996-A Bond proceeds: City of Huntsville, City of Mobile – Board of Water and Sewer Commissioners, Jasper Water Works and Sewer Board, Inc.

### **Revenues Pledged for Payment**

The Loan Recipients are not obligated to pay any principal of or interest on the Series 1996-A Bonds. The Loan Payments required to be made by the Loan Recipients pursuant to the Loan Documents will be less than the principal of and interest on the Series 1996-A Bonds (page 2 of the Official Statement). The Indenture provides that payment of the principal of (and premium, if any) and interest on the Series 1996-A Bonds is to be made from and is secured by a pledge and assignment of (a) amounts received by the Authority from each Loan Recipient as repayment of the Authority Loan to such Loan Recipient (the “Loan Repayments”), (b) amounts on deposit in and interest earned on the special funds created in the Indenture (except the Operating Fund and the Rebate Fund and subject to the right of the Authority to transfer Loan Repayments from Authority Loans made with investment earnings from the Project Fund to the State Revolving Fund), (c) amounts received from the optional prepayment of Authority Loans, and (d) amounts received from the sale of any Authority Loans in accordance with the provisions of the Indenture (page 5 of the Official Statement).

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## *Purposes of Bonds*

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### Legal Authority:

The *Code of Alabama 1975*, Section 22-34-7.

### Alabama Drinking Water Finance Authority, Series 2005-A

Issued: October 1, 2005

Issued: \$42,580,000.00

Total Issuance Costs: \$783,907.82

% of Issuance Costs to Total Bonds Issued: 1.46%

#### Sources of Funds:

Principal Amount of Bonds	\$42,580,000.00
Less: Original Issue Discount	(302,159.00)
Federal Grant	6,784,695.44
ADEM Contribution	783,907.82
Accrued Interest	26,118.75
Total Sources	<u>\$49,872,563.01</u>

#### Uses of Funds:

Deposit to Project Fund	\$35,491,180.00
Deposit to Loan Subsidy Account	7,568,603.26
Deposit to Bond Proceeds Account	3,975,000.00
Deposit to Capitalized Interest Account	2,053,871.93
Underwriter's Discount	163,733.47
Issuance Costs	620,174.35
Total Uses	<u>\$49,872,563.01</u>

The Series 2005-A Bonds were issued for the purpose of financing a program (the "Fiscal 2005 Authority Loan Program") of loans (the "Pledged Loans") by the Authority to public bodies in the State (the "Loan Recipients") in order to provide funds to the Loan Recipients to pay certain costs of planning, designing, acquiring, constructing and equipping certain sanitary drinking water and related facilities (the "Eligible Facilities") eligible for financial assistance under federal law. A number of local public bodies in the State have filed applications seeking a Pledged Loan under the Fiscal 2005 Authority Loan Program. The Authority expects to make Pledged Loans from proceeds of the Bonds to five Loan Recipients. The Major Participants are: the Board of Water and Sewer Commissioners of the City of Mobile; the City of Cullman; the City of Northport; Shelby County; and, the Utilities Board of the City of Daphne. In connection with the issuance of the Bonds and the making of the Pledged Loans, the Authority has not required that the Loan Recipients pay a commitment fee to the Authority or execute appropriate Loan Documents prior to the issuance of the Bonds. Accordingly, the Loan Recipients are not bound to accept the Pledged Loans. The Authority has reserved the right to substitute Loan Recipients other than those identified in this Official Statement.

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## *Purposes of Bonds*

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### **Revenues Pledged for Payment**

The Loan recipients are not obligated to pay any principal of or interest on the Series 2005-A Bonds. The Loan Payments required to be made by the Loan Recipients pursuant to the Loan Documents will be less than the principal of and interest on the Series 2005-A Bonds (page 2 of the Official Statement). The Indenture provides that payment of the principal of (and premium, if any) and interest on the Series 2005-A Bonds is to be made from and is secured by a pledge and assignment of (a) amounts received by the Authority from each Loan Recipient as repayment of each Pledged Loan made under the indenture, exclusive of administrative fees payable to Alabama Department of Environmental Management (the "Loan Payments"), (b) amounts on deposit in and interest earned on the special funds created in the Indenture (except the Operating Fund and the Rebate Fund) and subject to the right of the Authority to withdraw from the Indenture excess Loan Payments not needed to pay principal of and interest on the Bonds, (c) amounts received from the optional prepayment of Pledged Loans, and (d) amounts received from the sale of any Pledged Loans subject to the terms and conditions set forth in the Indenture (page 7 of the Official Statement).

### **Legal Authority:**

The *Code of Alabama 1975*, Section 22-23B-7.

### **Alabama Drinking Water Finance Authority, Series 2004-A**

Issued: December 1, 2004

Issued: \$24,880,000.00

Total Issuance Costs: \$591,273.37

% of Issuance Costs to Total Bonds Issued: 1.73%

#### **Sources of Funds:**

Principal Amount of Bonds	\$24,880,000.00
Less: Original Issue Discount	(89,545.60)
ADEM Contribution	5,982,408.46
Accrued Interest	88,115.19
Total Sources	<u>\$30,860,978.05</u>

#### **Uses of Funds:**

Project Funds	\$20,001,940.64
Deposit to Loan Subsidy Account	5,395,635.22
Deposit to Capitalized Interest Account	2,557,128.82
Deposit to Bond Proceeds Account	2,315,000.00
Underwriter's Discount	160,973.60
Issuance Costs	430,299.77
Total Uses	<u>\$30,860,978.05</u>

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## ***Purposes of Bonds***

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The Series 2004-A Bonds were issued for the purpose of providing funds to the Authority to enable it to make a loan (the “Pledged Loan”) to Shelby County, Alabama in order to provide funds to Shelby County to pay certain costs of planning, designing, acquiring, constructing and equipping certain drinking water and related facilities eligible for financial assistance under federal law.

### ***Revenues Pledged for Payment***

Shelby County is not obligated to pay any principal of or interest on the Series 2004-A Bonds. The Loan Payments required to be made by Shelby County pursuant to the Loan Documents will be less than the principal of and interest on the Series 2004-A Bonds (page 1 of the Official Statement). The Indenture provides that payment of the principal of (and premium, if any) and interest on the Series 2004-A Bonds is to be made from and is secured by a pledge and assignment of (a) amounts received by the Authority from the Loan Recipient as repayment of the Pledged Loan made directly to the Trustee on behalf of the Authority and held under the Indenture, exclusive of administrative fees payable to Alabama Department of Environmental Management (the “Loan Payments”), (b) amounts on deposit in and interest earned on the special funds created in the Indenture (except the Operating Fund and the Rebate Fund) and subject to the right of the Authority to withdraw from the Loan Indenture excess Loan Payments not needed to pay principal of and interest on the Bonds, (c) amounts received from any optional prepayment of the Pledged Loan, and (d) amounts received from the sale of the Pledged Loan subject to the terms and conditions set forth in the Indenture (page 7 of the Official Statement).

### ***Legal Authority:***

The *Code of Alabama 1975*, Section 22-23B-7.

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## ***Purposes of Bonds***

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### **Alabama Drinking Water Finance Authority, Series 2003-A**

Issued: December 1, 2003

Issued: \$38,915,000.00

Total Issuance Costs: \$807,047.92

% of Issuance Costs to Total Bonds Issued: 1.36%

#### Sources of Funds:

Principal Amount of Bonds	\$38,915,000.00
Less: Original Issue Discount	(109,346.30)
ADEM Contribution	7,032,611.14
Accrued Interest	71,058.72
Total Sources	<u>\$45,909,323.56</u>

#### Uses of Funds:

Project Funds	\$32,456,605.19
Deposit to Loan Subsidy Account	7,032,611.14
Deposit to Bond Proceeds Account	3,050,000.00
Deposit to Capitalized Interest Account	2,563,059.31
Underwriter's Discount	277,163.53
Issuance Costs	529,884.39
Total Uses	<u>\$45,909,323.56</u>

The Series 2003-A Bonds were issued for the purpose of making loans to governmental entities in the State to provide funds to pay certain costs of planning, designing, acquiring, constructing, and equipping sanitary drinking water and related facilities eligible for financial assistance under federal law. The following public entities received loans from the 2003-A Bond issue proceeds: City of Tuscaloosa, Utilities Board of the Town of Citronelle, Water and Wastewater Board of the City of Madison, and the West Morgan – East Lawrence Water Authority.

### **Revenues Pledged for Payment**

The Loan Recipients are not obligated to pay any principal of or interest on the Series 2003-A Bonds. The Loan Payments required to be made by the Loan Recipients pursuant to the Loan Documents will be less than the principal of and interest on the Series 2003-A Bonds (page 2 of the Official Statement). The Indenture provides that payment of the principal of (and premium, if any) and interest on the Series 2003-A Bonds is to be made from and is secured by a pledge and assignment of (a) amounts received by the Authority from each Loan Recipient as repayment of each Pledged Loan made under the Indenture, exclusive of administrative fees payable to Alabama Department of Environmental Management (the "Loan Payments"), (b) amounts on deposit in and interest earned on the special funds created in the Indenture (except the Operating Fund and the Rebate Fund) and subject to the right of the Authority to withdraw from the Indenture excess Loan Payments not needed to pay principal of and interest on the Bonds, (c) amounts received from the optional prepayment of the Pledged Loans, and (d) amounts received from the sale of any Pledged Loan subject to the terms and conditions set forth in the Indenture (page 8 of the Official Statement).

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## *Purposes of Bonds*

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### Legal Authority:

The *Code of Alabama 1975*, Section 22-23B-7.

### Alabama Drinking Water Finance Authority, Series 2002-A

Issued: January 1, 2002

Issued: \$37,575,000.00

Total Issuance Costs: \$795,945.18

% of Issuance Costs to Total Bonds Issued: 2.12%

#### Sources of Funds:

Principal Amount of Bonds	\$37,575,000.00
Less: Original Issue Discount	(460,054.75)
Total Sources	<u>\$37,114,945.25</u>

#### Uses of Funds:

Project Funds	\$30,548,041.93
Deposit to Bond Proceeds Account	2,985,000.00
Deposit to Capitalized Interest Account	2,785,958.14
Underwriter's Discount	135,270.00
Issuance Costs	660,675.18
Total Uses	<u><u>\$37,114,945.25</u></u>

The Series 2002-A Bonds were issued for the purpose of making loans to governmental entities in the State to provide funds to pay certain costs of planning, designing, acquiring, constructing, and equipping sanitary drinking water and related facilities eligible for financial assistance under federal law. The following public entities received loans from the 2002-A Bond issue proceeds: Central Elmore Water and Sewer Authority, City of Cullman, Hartselle Utilities, Harvest-Monrovia Water and Fire Protection Authority, the Water Works and Sewer Board of the City of Jackson, the Water Works and Sewer Board of the City of Andalusia, the Water Works and Sewer Board of the City of Albertville.

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## *Purposes of Bonds*

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### *Revenues Pledged for Payment*

The Loan Recipients are not obligated to pay any principal of or interest on the Series 2002-A Bonds. The Loan Payments required to be made by the Loan Recipients pursuant to the Loan Documents will be less than the principal of and interest on the Series 2002-A Bonds (page 2 of the Official Statement). The Indenture provides that payment of the principal of (and premium, if any) and interest on the Series 2002-A Bonds is to be made from and is secured by a pledge and assignment of (a) amounts received by the Authority from each Loan Recipient as repayment of each Authority Loan made under the Indenture, exclusive of administrative fees payable to Alabama Department of Environmental Management (the "Loan Payments"), (b) amounts on deposit in and interest earned on the special funds created in the Indenture (except the Operating Fund and the Rebate Fund) and subject to the right of the Authority to withdraw from the Indenture excess Loan Payments not needed to pay principal of and interest on the Bonds, (c) amounts received from the optional prepayment of Authority Loans, and (d) amounts received from the sale of any Authority Loans subject to the terms and conditions set forth in the Indenture (page 6 of the Official Statement).

### *Legal Authority:*

The *Code of Alabama 1975*, Section 22-23B-7.

### *Alabama Drinking Water Finance Authority, Series 2000-C*

Issue Date: December 1, 2000

Issued: \$25,895,000.00

Total Issuance Costs: \$668,503.11

% of Issuance Costs to Total Bonds Issued: 2.58%

#### Sources of Funds:

Principal Amount of Bonds	\$25,895,000.00
Less: Original Issue Discount	(259,573.90)
Transfer from Wastewater State Revolving Fund	4,730,155.82
Total Sources	<u>\$30,365,581.92</u>

#### Uses of Funds:

Project Funds	\$20,904,890.70
Deposit to Loan Subsidy Account	4,730,155.82
Deposit to Bond Proceeds Account	2,095,000.00
Deposit to Capitalized Interest Account	1,967,032.29
Underwriter's Discount	178,675.50
Issuance Costs	489,827.61
Total Uses	<u>\$30,365,581.92</u>



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## ***Purposes of Bonds***

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The Series 2000-C Bonds were issued for the purpose of making loans to governmental entities in the State to provide funds to pay certain costs of planning, designing, acquiring, constructing, and equipping sanitary drinking water and related facilities eligible for financial assistance under federal law. The following public entities received loans from the 2000-C Bond issue proceeds: Carroll's Creek Water Authority, City of Evergreen, Harvest-Monrovia – Water and Fire Protection Authority, Inc., Limestone County – Water and Sewer Authority, City of Bay Minette – Utilities Board, City of Oneonta – Utilities Board.

### **Revenues Pledged for Payment**

The Loan Recipients are not obligated to pay any principal of or interest on the Series 2000-C Bonds. The Loan Payments required to be made by the Loan Recipients pursuant to the Loan Documents will be less than the principal of and interest on the Series 2000-C Bonds (page 2 of the Official Statement). The Indenture provides that payment of the principal of (and premium, if any) and interest on the Series 2000-C Bonds is to be made from and is secured by a pledge and assignment of (a) amounts received by the Authority from each Loan Recipient as repayment of each Authority Loan made under the Indenture, exclusive of administrative fees payable to Alabama Department of Environmental Management (the "Loan Payments"), (b) amounts on deposit in and interest earned on the special funds created in the Indenture (except the Operating Fund and the Rebate Fund) and subject to the right of the Authority to withdraw from the Loan Repayment Fund excess Loan Payments not needed to pay principal of and interest on the Bonds, (c) amounts received from the optional prepayment of Authority Loans, and (d) amounts received from the sale of any Authority Loans subject to the terms and conditions set forth in the Indenture (page 6 of the Official Statement).

### **Legal Authority:**

The *Code of Alabama 1975*, Section 22-23B-7.

### **Alabama Drinking Water Finance Authority, Series 2000-B**

Issue Date: February 1, 2000

Issued: \$5,525,000.00

Total Issuance Costs: \$216,798.38

% of Issuance Costs to Total Bonds Issued: 3.92%

#### **Sources of Funds:**

Principal Amount of Bonds	\$5,525,000.00
Total Sources	<u>\$5,525,000.00</u>

#### **Uses of Funds:**

Project Funds	\$4,204,959.19
Deposit to Debt Service Reserve Account	610,000.00
Deposit to Capitalized Interest Account	493,242.43
Bond Insurance Premium	83,650.73
Underwriter's Discount	34,531.25
Issuance Costs	<u>98,616.40</u>
Total Uses	<u>\$5,525,000.00</u>

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## ***Purposes of Bonds***

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The Series 2000-B Bonds were issued for the purpose of financing a program of loans by the Authority to public entities in the State to provide funds to pay certain costs of planning, designing, acquiring, constructing, and equipping sanitary drinking water and related facilities eligible for financial assistance under federal law. The bonds were issued by the Authority as taxable bonds in order to make a loan to VAW Water System, Inc., an entity that does not qualify as a political subdivision eligible to receive tax-exempt financing under the Internal Revenue Code 1986, as amended.

### ***Revenues Pledged for Payment***

The Series 2000-A and Series 2000-B Bonds were issued using the same Official Statement, and are referred to as the Series 2000 Bonds in this document unless otherwise noted below.

The Loan Recipients are not obligated to pay any principal of or interest on the Series 2000 Bonds. The Loan Payments required to be made by the Loan Recipients pursuant to the Loan Documents will be less than the principal of and interest on the Series 2000 Bonds (page 2 of the Official Statement). The Indenture provides that payment of the principal of (and premium, if any) and interest on the Series 2000 Bonds is to be made from and is secured by a pledge and assignment of (a) amounts received by the Authority from each Loan Recipient as repayment of the Authority Loan to such Loan Recipient (the "Loan Payments"), provided, however, that Loan Payments made by VAW are pledged only to the Series 2000-B Bonds, (b) amounts on deposit in and interest earned on the special funds created in the Indenture (except the Operating Fund and the Rebate Fund and subject to the right of the Authority to withdraw from the Loan Repayment Fund excess Loan Payments not needed to pay principal of and interest on the Bonds and excluding amounts on deposit in and interest earned on the 2000-B Loan Repayment Account of the Loan Repayment Fund, the 2000B Interest Account and the 2000B Principal Account of the Debt Service Fund and the 2000B Extraordinary Receipts Account of the Extraordinary Receipts Fund, which are only pledged to the Series 2000-B Bonds), (c) amounts received from the optional prepayment of Authority Loans, excluding optional prepayments by VAW, which are pledged only to the Series 2000-B Bonds, and (d) amounts received from the sale of any Authority Loans subject to the terms and conditions set forth in the Indenture, excluding proceeds of the sale of the VAW Loan, which is only pledged to the Series 2000-B Bonds (page 10 of the Official Statement).

### ***Legal Authority:***

The *Code of Alabama 1975*, Section 22-23B-7.

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## ***Purposes of Bonds***

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### **Alabama Drinking Water Finance Authority, Series 2000-A**

Issue Date: February 1, 2000

Issued: \$8,605,000.00

Total Issuance Costs: \$324,990.68

% of Issuance Costs to Total Bonds Issued: 3.78%

#### Sources of Funds:

Principal Amount of Bonds	\$8,605,000.00
Less: Original Issue Discount	(95,555.45)
Total Sources	<u>\$8,509,444.55</u>

#### Uses of Funds:

Project Funds	\$7,031,404.53
Deposit to Debt Service Reserve Account	730,000.00
Deposit to Capitalized Interest Account	423,049.34
Bond Insurance Premium	106,513.33
Underwriter's Discount	53,781.25
Issuance Costs	164,696.10
Total Uses	<u>\$8,509,444.55</u>

The Series 2000-A Bonds were issued for the purpose of financing a program of loans by the Authority to local governmental units in the State to provide funds to pay certain costs of planning, designing, acquiring, constructing, and equipping sanitary drinking water and related facilities eligible for financial assistance under federal law. The bonds were issued by the Authority as tax-exempt bonds to fund loans to entities which are eligible to receive tax-exempt financing pursuant to the Internal Revenue Code of 1986, as amended. The following local governmental units received loans from the 2000-A Bond issue proceeds: City of Boaz – Board of Water and Sewer Commissioners, Chilton Water Authority, City of Northport, Northeast Alabama Water, Sewer and Fire Protection District, Russell County Water Authority, and the City of Leeds – Water Works Board.

### **Revenues Pledged for Payment**

The Series 2000-A and Series 2000-B Bonds were issued using the same Official Statement, and are referred to as the Series 2000 Bonds in this document unless otherwise noted below.

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## *Purposes of Bonds*

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The Loan Recipients are not obligated to pay any principal of or interest on the Series 2000 Bonds. The Loan Payments required to be made by the Loan Recipients pursuant to the Loan Documents will be less than the principal of and interest on the Series 2000 Bonds (page 2 of the Official Statement). The Indenture provides that payment of the principal of (and premium, if any) and interest on the Series 2000 Bonds is to be made from and is secured by a pledge and assignment of (a) amounts received by the Authority from each Loan Recipient as repayment of the Authority Loan to such Loan Recipient (the "Loan Payments"), provided, however, that Loan Payments made by VAW are pledged only to the Series 2000-B Bonds, (b) amounts on deposit in and interest earned on the special funds created in the Indenture (except the Operating Fund and the Rebate Fund and subject to the right of the Authority to withdraw from the Loan Repayment Fund excess Loan Payments not needed to pay principal of and interest on the Bonds and excluding amounts on deposit in and interest earned on the 2000-B Loan Repayment Account of the Loan Repayment Fund, the 2000B Interest Account and the 2000B Principal Account of the Debt Service Fund and the 2000B Extraordinary Receipts Account of the Extraordinary Receipts Fund, which are only pledged to the Series 2000-B Bonds), (c) amounts received from the optional prepayment of Authority Loans, excluding optional prepayments by VAW, which are pledged only to the Series 2000-B Bonds, and (d) amounts received from the sale of any Authority Loans subject to the terms and conditions set forth in the Indenture, excluding proceeds of the sale of the VAW Loan, which is only pledged to the Series 2000-B Bonds (page 10 of the Official Statement).

### **Legal Authority:**

The *Code of Alabama 1975*, Section 22-23B-7.

### **Alabama Drinking Water Finance Authority, Series 1998-A**

Issue Date: September 1, 1998

Issued: \$36,785,000.00

Total Issuance Costs: \$536,322.97

% of Issuance Costs to Total Bonds Issued: 1.46%

#### **Sources of Funds:**

Principal Amount of Bonds	\$36,785,000.00
Less: Original Issue Discount	(229,904.64)
Less: Bid Discount	(137,822.90)
Total Sources	<u>\$36,417,272.46</u>

#### **Uses of Funds:**

Project Funds	\$30,111,578.33
Deposit to Debt Service Fund	2,934,371.16
Deposit to Debt Service Reserve Fund	2,835,000.00
Issuance Costs	536,322.97
Total Uses	<u>\$36,417,272.46</u>

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## ***Purposes of Bonds***

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The Series 1998-A Bonds were issued for the purpose of financing a program of loans by the Authority to local governmental units in the State to provide funds to pay certain costs of planning, designing, acquiring, or constructing sanitary drinking water and related facilities eligible for financial assistance under federal law. The following local governmental units received loans from the 1998-A Bond issue proceeds: Madison County, City of Cullman – Utilities Board, Dale County Water Authority, Marbury Water System, City of Northport, City of Eufala – Water Works and Sewer Board, City of Ozark – Utilities Board, City of Demopolis – Utilities Board, and the Wall Street Water Authority.

### ***Revenues Pledged for Payment***

The Loan Recipients are not obligated to pay any principal of or interest on the Series 1998-A Bonds. The Loan Payments required to be made by the Loan Recipients pursuant to the Loan Documents will be less than the principal of and interest on the Series 1998-A Bonds (page 2 of the Official Statement). The Indenture provides that payment of the principal of (and premium, if any) and interest on the Series 1998-A Bonds is to be made from and is secured by a pledge and assignment of (a) amounts received by the Authority from each Loan Recipient as repayment of the Authority Loan to such Loan Recipient (the “Loan Repayments”), other than the portion of such payment representing the Administrative Fee, (b) amounts on deposit in and interest earned on the special funds created in the Indenture (except the Operating Fund and the Rebate Fund) and subject to the right of the Authority to withdraw from the Indenture Loan Repayments in excess of the amounts needed to pay principal of and interest on the Bonds, (c) amounts received from the optional prepayment of Authority Loans, and (d) amounts received from the sale of any Authority Loans in accordance with the provisions of the Indenture (page 6 of the Official Statement).

### ***Legal Authority:***

The *Code of Alabama 1975*, Section 22-23B-7.

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## *Purposes of Bonds*

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### Alabama Space Science Exhibit Finance Authority, Series 2005-A and 2005-B

Issue Date: May 26, 2005 (2005-A)	Issued: 2005-A – \$4,400,000.00
May 1, 2005 (2005-B)	2005-B – \$12,580,000.00

Total Issuance Costs: \$601,495.59	% of Issuance Costs to Total Bonds Issued: 3.54%
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#### Sources of Funds:

Principal Amount of 2005-A Bonds	\$ 4,400,000.00
Principal Amount of 2005-B Bonds	12,580,000.00
Remaining Bond Fund Amount for Series 1992, 1995, and 2001 Bonds	989,577.53
Remaining Reserve Fund Amount for Series 1992 and 1995 Bonds	1,277,595.00
Accrued Interest	52,416.67
Total Sources	<u>\$19,299,589.20</u>

#### Uses of Funds:

Deposit to Escrow Account for Payment of Outstanding Bonds	\$14,987,280.82
Deposit to Improvement Fund	2,235,396.12
Deposit to Reserve Fund for Series 2005-B Bonds	1,423,000.00
Deposit to Bond Fund	52,416.67
Issuance Costs	601,495.59
Total Uses	<u>\$19,299,589.20</u>

The Series 2005-A Bonds and Series 2005-B Bonds were issued to refund the Series 1992, 1995, and 2001 Bond Issues on June 27, 2005; and to increase borrowing by \$2,224,449.00 in order to finance the remaining 20% match for the Federal Transit Authority grant. The Series 2005-A Bonds are variable-rate bonds, with rates adjusted weekly based on current market rates. The interest rate was 2.76% as of September 25, 2005; the interest rate was 3.83% as of September 24, 2006; the interest rate was 3.94% as of September 30, 2007.

The Series 2001 Bonds were issued for the purpose of paying costs of the Authority's acquiring from Alabama Space Leasing Corporation, Inc., ("Space Leasing"), a private entity not under the control of the Commission or the Authority, for lease by the Authority to Alabama Space Science Exhibit Commission, a full-scale vertically-erected replica of the Saturn V rocket that was used by the National Aeronautics and Space Administration's Apollo Program. The Series 2001 Bonds were also issued to refund the Series 1999 Certificates of Participation and to pay for the issuances expenses of the Series 2001 Bonds.

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## ***Purposes of Bonds***

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The Series 1999 Certificates of Participation were issued for the purpose of providing funds necessary to construct, erect, and equip a full-size model of a Saturn V rocket at the U. S. Space and Rocket Center in Huntsville. The Saturn V rocket was built to full scale and realistically engineered but will be largely for display with no internal access to museum visitors or program participants.

The Series 1995-A Bonds were issued to provide funds necessary to refund and prepay the Space Science Exhibit Revenue Refunding Bonds, Series 1988.

The Series 1988 Bonds were issued to provide funds necessary to finance the construction of the Space Camp Dormitory Facilities (to be leased by the Space Science Exhibit Commission) to house campers on site, and to refund the Series 1986 Bonds.

The Series 1986 Bonds were issued to secure financing for the construction of the Space Camp Training Facility.

The Series 1995-B Bonds were issued for the purpose of permanently financing the costs of the renovation of and improvements to the IMAX theatre component of the Space Science Exhibit Commission's Space Museum facilities, renovating and expanding the cafeteria and food service facilities operated by the Commission constituting the facilities designated by the Commission as its Space Camp Training Center, providing a new interactive G-Force exhibit for participative use by visitors to the Commission's Space Museum and Space Camp Training Center, and providing funds to pay the costs of renovating and reconfiguring the portion of the Commission's Space Camp Training Center used as offices for the Commission's administrative staff.

The Series 1992 Bonds were issued to provide funds necessary to finance the purchase of the Space Camp Dormitory Facilities (previously leased by the Space Science Exhibit Commission), and to refund and prepay in full, the Certificates of Participation of the 1987 Lease Agreement and the 1988 Lease Agreement. The Certificates were issued pursuant to the 1987 and 1988 Lease Agreements, between the Commission and Dominion Leasing Corporation, Inc, pursuant to which the Habitat I and II portions of the Space Camp Dormitory Facilities were constructed and leased to the Commission.

### **Revenues Pledged for Payment**

The Series 2005-A and Series 2005-B Bonds will be payable revenues and receipts derived by the Authority from the leasing on a year-to-year basis and sale to the Alabama Space Science and Exhibit Commission of multiple buildings or structures designed for use by the Commission as instructional and educational facilities for young people and adults, with appurtenant office, museum, cafeteria, equipment, displays, exhibits and other ancillary facilities (such buildings or structures and facilities being herein called "the Space Exhibit and Related Facilities") (page 1 of the Official Statement).

### **Legal Authority:**

Act 1986-546, as incorporated in the *Code of Alabama 1975*, Sections 41-10-300 through 41-10-332.

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## *Purposes of Bonds*

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### Alabama Higher Education Loan Corporation, Series 2006A-1 and 2006A-2

Issue Date: November 27, 2006

Issued: \$25,000,000.00 – Series 2006A-1  
\$75,000,000.00 – Series 2006A-2

Total Issuance Costs: \$810,000.00

% of Issuance Costs to  
Total Bonds Issued: 0.81%

#### Sources of Funds:

Principal Amount of 2006A-1 Bonds	\$ 25,000,000.00
Principal Amount of 2006A-2 Bonds	75,000,000.00
Cash and Eligible Loans from Corporation	14,620,906.00
Total Sources	<u>\$114,620,906.00</u>

#### Uses of Funds:

Eligible Loan Acquisition	\$ 72,770,803.00
Revenue Fund Deposit	5,000,000.00
Refunding of Series 1998 Bonds	25,564,924.00
Refunding of Series 1994 Bonds	9,475,179.00
Debt Service Reserve Fund	1,000,000.00
Issuance Costs	810,000.00
Total Uses	<u>\$114,620,906.00</u>

The Series 2006 Bonds are being issued for the purposes of (a) financing the acquisition of Eligible Loans (as defined herein), (b) refinancing the existing indebtedness of the Corporation, (c) making a deposit to the Debt Service Reserve Fund, (d) making a deposit to other funds and accounts under the Indenture and (e) paying the costs associated with the issuance of the Series 2006 Bonds. On the Date of Issuance, the amounts described above will be used to defease the Corporation's Student Loan Revenue Refunding Bonds, Series 1994-C and 1994-D (the "Series 1994 Bonds") and Student Loan Revenue Refunding Bonds, Series 1998-A (the "Series 1998 Bonds") and the indentures pursuant to which the Series 1998 Bonds and the Series 1994 Bonds were issued. The Series 1998 Bonds and the Series 1994 Bonds are expected to be redeemed on January 2, 2007 (pages 1-3 of the Official Statement).

The interest rates on the Series 2006 Bonds while outstanding as ARCs (Auction Rate Certificates) will be based on auctions of those Series 2006 Bonds and will fluctuate from one interest period to another, and in the case of ARCs in a BMA (Bond Market Authority) Auction Mode, within the interest period, in response to changes in benchmark interest rates or general market conditions (page 6 of the Official Statement).

The Series 1998-A Bonds were issued for the purpose of providing the Corporation with moneys to finance eligible loans, paying interest to accrue on the Series 1998-A Bonds and the administrative expenses with respect to the Series 1998-A Bonds, and funding a deposit to the Reserve Fund. Costs of Issuance of the Series 1998-A Bonds were paid by the Corporation from other sources. The eligible loans financed were student loans made pursuant to the Higher Education Act to eligible borrowers for postsecondary education.



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## ***Purposes of Bonds***

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The Series 1994-C and Series 1994-D Bonds were issued for the purpose of funding a deposit to the Escrow Fund to refund the Corporation's Student Loan Revenue Bonds, 1986 Series A, the Corporation's Student Loan Revenue Bonds, 1987 Series A, the Corporation's Weekly Adjustable/Fixed Rate Student Loan Revenue Bonds, Series 1992-B, and the Corporation's Student Loan Revenue Bonds, Senior Series 1993-A, 1993-B, and 1993-C, and funding a deposit to the Interest Account to pay a portion of the initial interest payment on the Bonds.

The Series 1986-A Bonds were issued for the purpose of providing the Corporation with moneys to finance eligible loans. The eligible loans financed were student loans made pursuant to the Higher Education Act to eligible borrowers for postsecondary education.

The Series 1987-A Bonds were issued for the purpose of providing the Corporation with moneys to finance eligible loans. The eligible loans financed were student loans made pursuant to the Higher Education Act to eligible borrowers for postsecondary education.

The Series 1992-B Bonds were issued for the purpose of providing the Corporation with moneys to finance eligible loans. The eligible loans financed were student loans made pursuant to the Higher Education Act to eligible borrowers for postsecondary education.

The Series 1993-A, 1993-B, and 1993-C Bonds were issued for the purpose of providing the Corporation with moneys to finance eligible loans. The eligible loans financed were student loans made pursuant to the Higher Education Act to eligible borrowers for postsecondary education.

### **Revenues Pledged for Payment**

The Series 2006 Bonds are special and limited obligations of the Corporation secured by and payable solely from the Trust Estate established under the Indenture pursuant to which the Series 2006 Bonds are issued. The Trust Estate includes: (a) the Revenues (other than Revenues deposited in the Rebate Fund or the Operating Fund or otherwise released from the lien of the Trust Estate pursuant to the Indenture); (b) all money and investments held in the Funds created under the Indenture (other than the Rebate Fund and the Operating Fund); (c) the Financed Eligible Loans; (d) the rights of the Corporation in and to the Guarantee Agreement and any Servicing Agreements and Student Loan Purchase Agreements, as the same relate to Financed Eligible Loans; (e) the Corporation's rights in and to any Swap Facility and any Swap Provider Payments; and (f) any and all other property, rights and interests of every kind or description that from time to time hereafter is granted, conveyed, pledged, transferred, assigned or delivered to the Trustee as additional security under the Indenture. No assets of the Corporation other than the trust Estate are pledged to or available for the payment of the Bonds (page 3 of the Official Statement).

The Revenues pledged under the Indenture include, generally, all principal and interest payments received on behalf of or with respect to the Financed Eligible Loans, including any interest benefit payments, special allowance payments or default recoveries; all investment earnings on moneys in the various Funds established under the Indenture other than the Rebate Fund; payments received by the Corporation pursuant to a Swap Facility; and the proceeds of any sale or other disposition of the Financed Eligible Loans (page 3 of the Official Statement).

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## ***Purposes of Bonds***

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### **Legal Authority:**

The *Code of Alabama 1975*, Section 10-3A-20.

### **Alabama Higher Education Loan Corporation, Series 1998-A**

Issue Date: June 25, 1998

Issued: \$25,000,000.00

Total Issuance Costs: \$0.00

% of Issuance Costs to Total Bonds Issued: 0.00%

#### Sources of Funds:

Principal Amount of Bonds	\$25,000,000.00
Total Sources	<u>\$25,000,000.00</u>

#### Uses of Funds:

Project Funds	\$25,000,000.00
Total Uses	<u>\$25,000,000.00</u>

The Series 1998-A Bonds were issued for the purpose of providing the Corporation with moneys to finance eligible loans, paying interest to accrue on the Series 1998-A Bonds and the administrative expenses with respect to the Series 1998-A Bonds, and funding a deposit to the Reserve Fund. Costs of Issuance of the Series 1998-A Bonds were paid by the Corporation from other sources. The eligible loans financed were student loans made pursuant to the Higher Education Act to eligible borrowers for postsecondary education.

The interest rate for the Series 1998-A Bonds is an auction rate based on an auction period of 35 days, not to exceed 14% per annum (page 7 of the Official Statement). The interest rate at September 30, 2004 was 1.52%; the interest rate at September 30, 2005 was 2.64%; the interest rate at September 30, 2006 was 3.68%.

The Series 2006A-1 and Series 2006A-2 Bonds that were issued on November 27, 2006 defeased the Series 1998-A Bonds, and the final payment on the Series 1998-A Bonds was made on January 2, 2007.

### **Revenues Pledged for Payment**

The principal of, premium, if any, and interest on the Series 1998-A Bonds will be payable solely from payments of principal of and interest and Special Allowance Payments on the Financed Student Loans; claim payments by the Guarantee Agencies on Financed Student Loans; moneys and securities in and payable into various Funds and Accounts established under the Indenture (including investment earnings thereon); and proceeds of any sale or assignment by the Corporation of any of the Financed Student Loans (page 1 of the Official Statement).

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## *Purposes of Bonds*

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### Legal Authority:

The *Code of Alabama 1975*, Section 10-3A-20.

### Alabama Higher Education Loan Corporation, Series 1994-A, 1994-B, 1994-C, and 1994-D

Issue Date: April 1, 1994

Issued: 1994-A – \$8,765,000.00  
1994-B – \$19,615,000.00  
1994-C – \$34,450,000.00  
1994-D – \$35,000,000.00

Total Issuance Costs: \$875,578.50

% of Issuance Costs to Total Bonds Issued: 0.90%

#### Sources of Funds:

Principal Amount of 1994-A Bonds	\$ 8,765,000.00
Principal Amount of 1994-B Bonds	19,615,000.00
Principal Amount of 1994-C Bonds	34,450,000.00
Principal Amount of 1994-D Bonds	35,000,000.00
Total Sources	<u>\$97,830,000.00</u>

#### Uses of Funds:

Project Funds	\$96,954,421.50
Underwriter's Discount	875,578.50
Total Uses	<u>\$97,830,000.00</u>

The Series 1994-A, Series 1994-B, Series 1994-C, and the Series 1994-D Bonds were issued for the purpose of funding a deposit to the Escrow Fund to refund the Corporation's Student Loan Revenue Bonds, 1986 Series A, the Corporation's Student Loan Revenue Bonds, 1987 Series A, the Corporation's Weekly Adjustable/Fixed Rate Student Loan Revenue Bonds, Series 1992-B, and the Corporation's Student Loan Revenue Bonds, Senior Series 1993-A, 1993-B, and 1993-C, and funding a deposit to the Interest Account to pay a portion of the initial interest payment on the Bonds.

The Series 1986-A Bonds were issued for the purpose of providing the Corporation with moneys to finance eligible loans. The eligible loans financed were student loans made pursuant to the Higher Education Act to eligible borrowers for postsecondary education.

The Series 1987-A Bonds were issued for the purpose of providing the Corporation with moneys to finance eligible loans. The eligible loans financed were student loans made pursuant to the Higher Education Act to eligible borrowers for postsecondary education.

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## ***Purposes of Bonds***

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The Series 1992-B Bonds were issued for the purpose of providing the Corporation with moneys to finance eligible loans. The eligible loans financed were student loans made pursuant to the Higher Education Act to eligible borrowers for postsecondary education.

The Series 1993-A, 1993-B, and 1993-C Bonds were issued for the purpose of providing the Corporation with moneys to finance eligible loans. The eligible loans financed were student loans made pursuant to the Higher Education Act to eligible borrowers for postsecondary education.

No further principal or interest payments are due on the Series 1994-A or 1994-B bonds, as the final payment on the Series 1994-A bonds was made in March 2000 and the final payment on the Series 1994-B bonds was made in March 2002. The Series 1994-C and Series 1994-D bonds were still outstanding at September 30, 2006.

The Series 2006A-1 and Series 2006A-2 Bonds that were issued on November 27, 2006 defeased the Series 1994-C and Series 1994-D Bonds, and the final payment on the Series 1994-C and Series 1994-D Bonds was made on January 2, 2007.

### ***Revenues Pledged for Payment***

The Series 1994-A, Series 1994-B, Series 1994-C, and Series 1994-D Bonds are limited obligations of the Corporation payable solely from revenues ("Pledged Revenues") and Funds and Accounts pledged under the Indenture (the "Pledged Funds and Accounts," which do not include the Rebate Fund and the Escrow Fund). The Bonds of each Series are equally and ratably secured by the Pledged Revenues. The Pledged Revenues include: (i) payments of interest and principal made by obligors of Financed Student Loans, (ii) Guarantee payments made the Guarantee Agency to or for the account of the Corporation or the Trustee as the holder of defaulted Financed Student Loans, (iii) Interest Subsidy payments and Special Allowance Payments made by the Secretary to or for the account of the Corporation or the Trustee as the holder of Financed Student Loans (excluding any Special Allowance Payments and Interest Subsidy payments accrued prior to the date of Financing the related Student Loan), (iv) income from investment of moneys in the Pledged Funds and Accounts (except to the extent such income is required to be deposited in the Rebate Fund), (v) proceeds of any sale or assignment by the Corporation of any Financed Student Loans (except the Rebate Fund), and (vi) available Bond proceeds (page 7 of the Official Statement).

### ***Legal Authority:***

The *Code of Alabama 1975*, Section 10-3A-20.

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## *Limitations on Debt*

### *State of Alabama*

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Pursuant to Section 213 of the *Constitution of Alabama 1901*, as amended by Amendment 26 that was ratified by the electorate in 1933 (the Constitutional Budget Amendment), the State is constitutionally prohibited from incurring debt, and the only method by which general obligation debt of the State can be incurred is by an amendment to the *Constitution of Alabama 1901*. Although conventions proposed by the legislature and approved by the electorate may be called for the purpose of amending the *Constitution of Alabama 1901*, all amendments have historically been adopted through a procedure which requires them to be proposed by a favorable vote of three-fifths of all the members of each house of the Legislature and thereafter approved by a majority of the voters of the State voting in a statewide election. All general obligation bonds were issued pursuant to an amendment to the *Constitution of Alabama 1901*, which was approved by the voters of the state at an election duly called and held, as hereinbefore indicated. The bondholders are not protected by any covenant of the State restricting the issuance of additional general obligation debt, and the bondholders do not have any right to enjoin the creation of such debt.

The Supreme Court of Alabama has held that the debt prohibition contained in the Constitutional Budget Amendment does not apply to obligations incurred for current operating expenses payable during the current fiscal year, debts incurred by separate public corporations, or State debt incurred to repel invasion or suppress insurrection. The State may also make temporary loans not exceeding \$300,000.00 to cover deficits in the state treasury. Limited obligation debt may be authorized by the Legislature without an amendment to the *Constitution of Alabama 1901*. The State has followed the practice of financing certain capital improvements programs, such as highways, education, and improvements to the State Docks, through the issuance of limited obligation bonds payable solely out of certain taxes and other revenues specifically pledged for their payment and not from the general revenues of the State. Such limited obligation bonds are not general obligations of the State, and the full faith and credit of the State are not pledged to the payment thereof.